

ORIGINAL

**NHC At Indian
Path, LLC**

CN1212-059



NATIONAL HEALTHCARE CORPORATION

December 12, 2012

2012 DEC 12 PM 2 53

VIA: Hand Delivery

Ms. Melanie Hill, Executive Director
State of Tennessee
Health Services & Development Agency
Andrew Jackson State Office Building
500 Deaderick Street, Suite 850
Nashville, TN 37243

RE: CON Request by NHC at Indian Path, LLC for a new nursing home comprised of 22 existing SNF beds to be replaced and relocated and the addition of 30 new SNF Beds for a total of 52 SNF beds to be located in Kingsport, Sullivan County, Tennessee, and called NHC at Indian Path.

Dear Ms. Hill:

Enclosed please find the required check of \$23,367.64 made payable to the Health Services and Development Agency, to cover the filing fee for the referenced request. The fee has been calculated based on the total project cost of \$10,385,615/1,000 times \$2.25 which equals \$23,367.64, but in no case shall the fee be less than \$3,000.00 or more than \$45,000.00.

If you require any additional information or need clarification on any of the supplied material, please do not hesitate to contact me at 615-890-2020.

Sincerely,

NATIONAL HEALTHCARE CORPORATION

Bruce K. Duncan
Assistant Vice President, Planning/Licensure & Authorized Representative for NHC at
Indian Path, LLC

Enclosure

SECTION A:1. **Name of Facility, Agency, or Institution****NHC at Indian Path**

2017 DEC 12 PM 2 55

Name

2300 Pavilion Dr

Street or Route

Sullivan

County

Kingsport

City

Tennessee

State

37660-4622

Zip Code

2. **Contact Person Available for Responses to Questions****Bruce K. Duncan**

Name

Assistant Vice President

Title

National HealthCare Corporation

Company Name

bduncan@nhccare.com

Email address

100 Vine Street

Street or Route

Murfreesboro

City

TN

State

37130

Zip Code

Employee

Association with Owner

615-890-2020

Phone Number

615-890-0123

Fax Number

3. **Owner of the Facility, Agency or Institution****NHC at Indian Path, LLC**

Name

615-890-2020

Phone Number

100 Vine Street

Street or Route

Rutherford

County

Murfreesboro

City

Tennessee

State

37130

Zip Code

4. **Type of Ownership of Control (Check One)**

A. Sole Proprietorship

☐F. Government (State of TN or
Political Subdivision)☐

B. Partnership

☐

G. Joint Venture

☐

C. Limited Partnership

☐

H. Limited Liability Company

☒

D. Corporation (For Profit)

☐

I. Other (Specify)

☐

E. Corporation (Not-for-Profit)

☐

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

NHC at Indian Path, LLC has one (1) member, NHC/OP, L.P. NHC/OP, L.P. owns 100% of NHC at Indian Path, LLC. NHC/OP, L.P. also owns 100% in other nursing facilities in various states. **Please see Attachment "Section A, Applicant Profile - 4 Type of Ownership or Control" located at the end of the CON application on page 2 for a copy of the Articles of Organization, Certificate of Existence, Organization Chart and Listing of Other Nursing Facilities owned by NHC/OP, L.P.**

5. **Name of Management/Operating Entity (If Applicable)**

Not Applicable

Name _____

Street or Route _____

County _____

City _____

State _____

Zip Code _____

PUT ALL ATTACHMENTS AT THE END OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

6. **Legal Interest in the Site of the Institution (Check One)**

- | | | | |
|-------------------------|-------|---|--------------|
| A. Ownership | _____ | D. Option to Lease * | <u> X </u> |
| B. Option to Purchase | _____ | E. Other (Specify) _____ | _____ |
| C. Lease of _____ Years | _____ | *Land Lease is included in the building purchase price. | |

PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS.

Please see Attachment "Section A, Applicant Profile - 6 Legal Interest in the Site" located at the end of the CON application on page 13.

7. **Type of Institution (Check as appropriate--more than one response may apply)**

- | | | | |
|--|-------|--|--------------|
| A. Hospital (Specify) _____ | _____ | I. Nursing Home | <u> X </u> |
| B. Ambulatory Surgical Treatment Center (ASTC), Multi-Specialty | _____ | J. Outpatient Diagnostic Center | _____ |
| C. ASTC, Single Specialty | _____ | K. Recuperation Center | _____ |
| D. Home Health Agency | _____ | L. Rehabilitation Facility | _____ |
| E. Hospice | _____ | M. Residential Hospice | _____ |
| F. Mental Health Hospital | _____ | N. Non-Residential Methadone Facility | _____ |
| G. Mental Health Residential Treatment Facility | _____ | O. Birthing Center | _____ |
| H. Mental Retardation Institutional Habilitation Facility (ICF/MR) | _____ | P. Other Outpatient Facility (Specify) _____ | _____ |
| | | Q. Other (Specify) _____ | _____ |

8. **Purpose of Review (Check) as appropriate--more than one response may apply)**

- | | | | |
|--|-------|---|--------------|
| A. New Institution | _____ | G. Change in Bed Complement | _____ |
| B. Replacement/Existing Facility | _____ | [Please note the type of change by underlining the appropriate response: <u> Increase </u> , Decrease, Designation, Distribution, Conversion, Relocation] | <u> X </u> |
| C. Modification/Existing Facility | _____ | | |
| D. Initiation of Health Care Service as defined in TCA § 68-11-1607(4) (Specify) _____ | _____ | | |
| E. Discontinuance of OB Services | _____ | H. Change of Location | <u> X </u> |
| F. Acquisition of Equipment | _____ | I. Other (Specify) _____ | _____ |

9. **Bed Complement Data**
Please indicate current and proposed distribution and certification of facility beds.

	<u>Current Beds</u>	<u>Licensed CON</u>	<u>Staffed Beds</u>	<u>Beds Proposed</u>	<u>TOTAL Beds at Completion</u>
A. Medical	_____	_____	_____	_____	_____
B. Surgical	_____	_____	_____	_____	_____
C. Long-Term Care Hospital	_____	_____	_____	_____	_____
D. Obstetrical	_____	_____	_____	_____	_____
E. ICU/CCU	_____	_____	_____	_____	_____
F. Neonatal	_____	_____	_____	_____	_____
G. Pediatric	_____	_____	_____	_____	_____
H. Adult Psychiatric	_____	_____	_____	_____	_____
I. Geriatric Psychiatric	_____	_____	_____	_____	_____
J. Child/Adolescent Psychiatric	_____	_____	_____	_____	_____
K. Rehabilitation	_____	_____	_____	_____	_____
L. Nursing Facility (non-Medicaid Certified)	_____	_____	_____	_____	_____
M. Nursing Facility Level 1 (Medicaid only)	_____	_____	_____	_____	_____
N. Nursing Facility Level 2 (Medicare only)	_____	_____	_____	30	52
O. Nursing Facility Level 2 (dually certified Medicaid/Medicare)	_____	_____	_____	_____	_____
P. ICF/MR	_____	_____	_____	_____	_____
Q. Adult Chemical Dependency	_____	_____	_____	_____	_____
R. Child and Adolescent Chemical Dependency	_____	_____	_____	_____	_____
Swing Beds	_____	_____	_____	_____	_____
S. Mental Health Residential Treatment	_____	_____	_____	_____	_____
T. Residential Hospice	_____	_____	_____	_____	_____
U. TOTAL	_____	_____	_____	30	52

10. Medicare Provider Number _____ Change of Ownership to be applied for with CMS
Certification Type _____ Nursing Home
11. Medicaid Provider Number _____ N/A
Certification Type _____ Nursing Home
12. If this is a new facility, will certification be sought for Medicare and/or Medicaid? N/A Center is not new.

13. **Identify all TennCare Managed Care Organizations/Behavioral Health Organizations (MCOs/BHOs) operating in the proposed service area. Will this project involve the treatment of TennCare participants? No If the response to this item is yes, please identify all MCOs/BHOs with which the applicant has contracted or plans to contract.**

Discuss any out-of-network relationships in place with MCOs/BHOs in the area.

NHC at Indian Path will seek contracts with the following:

Aetna Health Care
Blue Cover TN
Blue Cross Blue Shield
Cariten
CCN Managed Care
ChampVA
Choice Care
Cigna Healthcare
CompPlus
Initial Group
John Deere
National Preferred Provider Network
Preferred Health Partnership
Signature Health Alliance
TriCare
United Health of TN
United Mine Workers Health & Retirement Funds
Vanderbilt Health Plans
Blue Advantage
Humana
Medicare Complete
Secure Horizon
Sterling Health Plan
Wellcare

NOTE: **Section B** is intended to give the applicant an opportunity to describe the project and to discuss the need that the applicant sees for the project. **Section C** addresses how the project relates to the Certificate of Need criteria of Need, Economic Feasibility, and the Contribution to the Orderly Development of Health Care. **Discussions on how the application relates to the criteria should not take place in this section unless otherwise specified.**

SECTION B: PROJECT DESCRIPTION

Please answer all questions on 8 1/2" x 11" white paper, clearly typed and spaced, identified correctly and in the correct sequence. In answering, please type the question and the response. All exhibits and tables must be attached to the end of the application in correct sequence identifying the questions(s) to which they refer. If a particular question does not apply to your project, indicate "Not Applicable (NA)" after that question.

- I. **Provide a brief executive summary of the project not to exceed two pages. Topics to be included in the executive summary are a brief description of proposed services and equipment, ownership structure, service area, need, existing resources, project cost, funding, financial feasibility and staffing.**

Proposed Services & Equipment: The proposed project is for the replacement and relocation of the existing licensed Indian Path Medical Center Transitional Care Unit comprised of all of said unit's 22 licensed beds (license number 00336) and the addition of 30 new Medicare certified nursing home beds for a project total of 52 nursing home beds to be called NHC at Indian Path and located at 2300 Pavilion Dr., Kingsport (Sullivan Co.) TN 37660-4622. NHC at Indian Path will be located adjacent to Mountain States Health Alliance's (MSHA) Indian Path Medical Center.

Ownership Structure: NHC at Indian Path, LLC (Limited Liability Company)
Service Area: Sullivan County

Need: Based on the Skilled Bed Need methodology found in the Guidelines for Growth 2000, there is a need for an additional 440 nursing home beds in Sullivan County projected for 2014. Thirty (30) new beds are being requested as part of this CON which represents 6.8 percent of the beds projected to be needed in the Guidelines for Growth for 2014. The 125 bed pool which is effective from July 1, 2012 through June 30, 2013 will be affected. There are currently 125 beds left in the pool as of this filing.

Existing Resources: The site and building to be used for the proposed project is the facility formally known as Indian Path Pavilion. While NHC is purchasing the building which is currently empty, MSHA has entered into a 99 year land lease with NHC at Indian Path, LLC. The land lease is included in the total purchase price reflected on the capital cost table. NHC has extensive operating experience in the Tri-Cities area, specifically in Sullivan County, Virginia, where it has operated NHC HealthCare, Bristol since 1973. NHC will use its resources and experience in the area to help staff and attract patients.

Project Cost: \$10,385,615

Funding: The project will be funded along with working capital, from NHC's cash on hand.

Financial Feasibility: The Projected Data Chart demonstrates the project is financially feasible by year two with positive net operating income less capital expenditures.

Staffing: 6.32 Direct Hours of Nursing per day (Year 1)
4.46 Direct Hours of Nursing per day (Year 2)

II. Provide a detailed narrative of the project by addressing the following items as they relate to the proposal.

- A. Describe the construction, modification and/or renovation of the facility (exclusive of major medical equipment covered by T.C.A. § 68-11-1601 et seq.) including square footage, major operational areas, room configuration, etc. Applicants with hospital projects (construction cost in excess of \$5 million) and other facility projects (construction cost in excess of \$2 million) should complete the Square Footage and Cost per Square Footage Chart. Utilizing the attached Chart, applicants with hospital projects should complete Parts A.-E. by identifying as applicable nursing units, ancillary areas, and support areas affected by this project. Provide the location of the unit/service within the existing facility along with current square footage, where, if any, the unit/service will relocate temporarily during construction and renovation, and then the location of the unit/service with proposed square footage. The total cost per square foot should provide a breakout between new construction and renovation cost per square foot. Other facility projects need only complete Parts B.-E. Please also discuss and justify the cost per square foot for this project. If the project involves none of the above, describe the development of the proposal.

NHC at Indian Path, LLC ("NHC") is applying for a Certificate of Need ("CON") to license and operate a new 52 bed nursing home adjacent to Indian Path Medical Center. **Please see letter of intent/agreement between Mountain States Health Alliance (MSHA) and NHC included in the Attachment "Section A, Applicant Profile – Item 6 Legal Interest in the Site" on page 13 at the end of the application.**

NHC is acquiring Indian Path Pavilion with the goal of converting the former specialty hospital into a skilled nursing facility with a focus on rehabilitation services. The structure has a current gross building area of approximately 47,381 sq ft. The building was constructed 29 years ago in two phases, the first phase opened in 1982 and second in 1988.

Indian Path Pavilion, was originally closed due to the fact that having two private behavioral health hospitals offering similar services in adjacent counties was no longer a viable option for MSHA due to diminishing volumes, economic constraints and reductions in reimbursement coverage, which has negatively impacted operations at Indian Path Pavilion and Woodridge Hospital. Consolidating services under one facility allowed MSHA to continue offering this treatment in the region in a more efficient and financially feasible manner. Indian Path Pavilion was vacated in August 2009. Since 2009, the facility has been used for storage of documents and equipment by Mountain States Health Alliance.

NHC plans for this CON project are to: make the facility compliant with current building codes (where applicable), meet Agency requirements for licensed nursing beds, create a contemporary nursing facility providing extensive rehab services, and provide an inventory of 52 licensed beds with the ability to expand to 60 beds in the future as the market dictates.

Our construction and renovation plans for this project include five distinct categories.

1. Major renovations-the existing patient rooms and therapy spaces will be the focus of significant renovations that will modernize the spaces and bring to current standards (spatial, code, and regulatory). Preliminary plans indicate that approximately 27,500 sq ft or approximately 60% of the structure will receive major renovations. These works would include new space layouts requiring wall construction, HVAC modifications, and new systems, finishes, cabinetry, etc.
2. New construction-eight rooms are being constructed to add to two nurses' stations to increase the bed count to 15 beds per station. The gross building area to be added with new construction will be approximately 3,862 sq ft.
3. Interior upgrades-significant parts of the facility only require cosmetic upgrades. NHC will replace wall finishes, flooring, ceiling tiles and selected upgrades of light fixtures. Approximately 14,400 sq ft will receive interior upgrades.

4. Existing space reused "as is"-The kitchen and mechanical and electrical rooms will be reused as is. No significant renovation work is anticipated in these areas. Equipment and systems will either be repaired or replaced to insure proper operation.
5. Unused space- Approximately 16,361 sq ft of space in the building will not be used by the proposed 52 bed SNF. However, NHC plans to renovate approximately 10,700 sq ft of this space to provide administrative space for NHC entities and to prepare the building for future expansion. NHC will be able to save significantly if this work is done concurrently with the CON. The building is not occupied currently which makes renovations much easier and less expensive. Also, remobilizing a contractor to complete a small project is very expensive. The remaining balance of unused space will be locked and patients and guests will not have access to these areas. They may be incorporated into the operations at some point in the future as the buildings needs are better defined and capital becomes available for necessary upgrades.

Our program includes replacement of the nurse call system, a significant FF&E allowance for new moveable equipment, and other soft costs associated with this type of acquisition and renovations. The finished product will be a contemporary skilled nursing facility with 52 private patient rooms complemented by significant PT/OT/and Speech Rehabilitation space offering state of the art equipment and therapies.

NHC at Indian Path should be granted the proposed CON for the following reasons: NHC has a long history of providing quality long term care services in Sullivan County. The new center consisting of 52 beds will help local residents in need of long term care services to find them. The proposed project is financial feasible (see proforma projections), and lastly, it promotes the orderly development of the existing health care system in that it adds needed beds in an existing physical plant.(now vacant) adjacent to Indian Path Medical Center. NHC at Indian Path, LLC is also supported by the community

SERVICES:

- a. Nursing Services: Licensed (RN's and LPN's) and ancillary nursing personnel will serve patients and in emergencies, area residents. In recognizing the critical role qualified nursing assistants play in the care of patients, NHC has established a pilot program with levels of certified nurse assistants (CNA).
- b. Rehabilitation Services: The center will provide physical, occupational, speech and recreational therapy services according to physician's orders as part of a rehabilitation program. These services are also available to all residents of the service area (outpatient) as part of the applicant's continuum of care.
- c. Dietary Services: All special diet needs will be met and proper nourishment will be provided at all times. NHC has implemented (and is the only long-term health care chain to do so) an American Dietetic Association-approved Dietetic Internship program whereby dietitians are chosen to train in the three major areas of dietetics within the long-term health care setting: administrative, clinical and community dietetics with an emphasis on the treatment of geriatric nutritional problems. Internists also receive training in hospitals and community health centers. Upon graduation and completion of exams, they become licensed and certified dietitians. NHC's goal is to place an ADA Dietitian in each NHC facility.
- d. Medical Director: A local physician will be employed as medical director on a consulting basis and will be available to attend to needs of our nursing home patients.
- e. Consultant Services: Advice and instructions is sought from health care professionals, including dietitians, pharmacists, gerontologists, therapists, and social workers.

- f. Housekeeping & Janitorial Services: Housekeeping and janitorial services will be provided to insure that services are rendered to patients in a clean, attractive, well-maintained and comfortable atmosphere.
- g. Laundry: Clean linens will be furnished to all patients and personal laundry services are available at a nominal charge.
- h. Patient Assessment Program: A multi-disciplinary team of health professionals will systematically conduct medical care evaluations, admission and extended duration review. The computerized patient assessment program of the applicant maintains patient-specific reports thereby enabling the professional staff to evaluate patient progress on a regular and comprehensive basis. Moreover, management can ensure the physician's orders are carried out in conformance with the highest standards of patient care. Detailed information is fed into the computer and analyzed monthly. This information shows each item of expense and need. The costs are then compared to expected standards and similar corporate facilities. A continuous effort is thus maintained in providing a first class nursing home at the lowest possible cost to the patient, his family and the state/federal government.
- i. Discharge Planning: A discharge planning coordinator will continuously monitor each patient's progress by individual contact and with the use of the patient assessment program in order to return the patient as soon as possible to the most independent living arrangements. This position is also responsible for some family support.
- j. Respite Care: NHC at Indian Path will also provide respite care based on bed availability. Respite care refers to providing nursing services to individuals in the community that are cared for in their home and whose families need a place to care for individuals for a short time while the family is away.
- k. Sub-Acute Care: NHC at Indian Path will provides Level II beds for skilled patients and will do so by providing both the physical plant and trained staff to accommodate a more complex and skilled nursing level of care. The facility will be organized and staffed accordingly to meet the needs of these patients.

NHC at Indian Path will provide services to persons with decubiti ulcers, feeding tubes, catheters, tracheotomies, medical problems requiring IV's, or other persons requiring "sub-acute" care. It is the policy of NHC at Indian Path to make available heavy skilled nursing services to patients requiring such services. The project offers sub-acute services and does so with the expertise and knowledge to do them efficiently and effectively.

NHC at Indian Path will be able to care for sub-acute patients with its increased staffing. If demand for these "heavy skilled" or "sub-acute" care beds is greater than projected, additional staff, one of the main factors determining the number of sub-acute patients the facility can serve at any given time, is added to the staffing pattern.

- l. Transportation: NHC at Indian Path will provide non-medical transportation to and from locations in the county for patients and/or volunteers who need such a service.
- m. Community Service - NHC at Indian Path will offers a number of Community Services such as health fairs and telephone reassurance for the local community.

B. Identify the number and type of beds increased, decreased, converted, relocated, designated, and/or redistributed by this application. Describe the reasons for change in bed allocations and describe the impact the bed change will have on the existing services.

The proposed project is for the construction of a new 52 bed nursing home (22 existing beds and 30 new beds) to be located in the facility previously known as Indian Path Pavilion which closed several years ago. Since the center is vacant, the center can be renovated without initially relocating any patients. Once the center renovations are complete and NHC at Indian Path is ready for licensure, patients in the licensed Indian Path Medical Center Transitional Care Unit's 22 beds will be transferred from the hospital's unit to their nursing home center of choice. NHC at Indian Path will promote the orderly development of the health care system in that it is utilizing existing health care bed space and adds needed SNF beds in Sullivan County where there is a projected need for an additional 440 nursing home beds in 2014.

SQUARE FOOTAGE AND COST PER SQUARE FOOTAGE CHART

A. Unit / Department	Existing Location	Existing SF	Temporary Location	Proposed Final Location	Proposed Final Square Footage			Proposed Final Cost/ SF		
					Renovated	New	Total	Renovated	New	Total
Admin					2,753		2,753	\$101.00		\$278,053
Kitchen					1,700		1,700	\$101.00		\$171,700
Employee Break					244		244	\$101.00		\$24,644
Laundry					815		815	\$101.00		\$82,315
Storage/Central Supply					678		678	\$101.00		\$68,478
Housekeeping					108		108	\$101.00		\$10,908
Classroom					388		388	\$101.00		\$39,188
Beauty/Barber										\$0
PT/OT/Speech					3,430		3,430	\$101.00		\$346,430
Nursing Support					2,891		2,891	\$101.00		\$291,991
Dining/Rec					5,827		5,827	\$101.00		\$588,527
Sun Porch										\$0
Public/Staff Toilets					492		492	\$101.00		\$49,692
Patient Rms & Baths					12,580	3,100	15,680	\$101.00	\$212.00	\$1,927,780
Unused		2,266								
B. Unit/Depart. GSF Sub-Total					31,906	3,100	35,006			
C. Mechanical/ Electrical GSF					1,740		1,740	\$101.00		175,700
D. Circulation /Structure GSF					9,350	762	10,112	\$101.00	\$212.00	\$1,105,894
E. Total GSF		2,266			42,996	3,862	49,124			\$5,161,300

C. As the applicant, describe your need to provide the following health care services (if applicable to this application):

1. Adult Psychiatric Services
2. Alcohol and Drug Treatment for Adolescents (exceeding 28 days)
3. Birthing Center
4. Burn Units
5. Cardiac Catheterization Services
6. Child and Adolescent Psychiatric Services
7. Extracorporeal Lithotripsy
8. Home Health Services
9. Hospice Services
10. Residential Hospice
11. ICF/MR Services
12. Long-term Care Services
13. Magnetic Resonance Imaging (MRI)
14. Mental Health Residential Treatment
15. Neonatal Intensive Care Unit
16. Non-Residential Methadone Treatment Centers
17. Open Heart Surgery
18. Positron Emission Tomography
19. Radiation Therapy/Linear Accelerator
20. Rehabilitation Services
21. Swing Beds

NHC's need to provide long term care services in Sullivan County is based on two primary points. First, we are responding to ongoing discussions we have had with MSHA to deliver the increasingly needed skilled Medicare nursing home beds in the community, and specifically in proximity to their hospital, Indian Path Medical Centers. Second, NHC independently verified the need for said beds and the projected need, based on the population and currently bed inventory, but also with the State Health Plan's projected need for an additional 440 beds by 2014. Since this bed need formula projects the need for skilled Medicare beds, this need projection is not diminished by the Choices and/or Options programs. For patients being discharged from a hospital via Medicare, quite often the best and most cost effective option is a short term nursing home stay for rehab follow by home care after discharge. NHC request is being drive entirely by the local market conditions and demand for our services.

D. Describe the need to change location or replace an existing facility. **Not Applicable**

E. Describe the acquisition of any item of major medical equipment (as defined by the Agency Rules and the Statute) which exceeds a cost of \$1.5 million; and/or is a magnetic resonance imaging (MRI) scanner, positron emission tomography (PET) scanner, extracorporeal lithotripter and/or linear accelerator by responding to the following: **Not Applicable**

1. For fixed-site major medical equipment (not replacing existing equipment):
 - a. Describe the new equipment, including:
 1. Total cost ;(As defined by Agency Rule).
 2. Expected useful life;
 3. List of clinical applications to be provided; and
 4. Documentation of FDA approval.
 - b. Provide current and proposed schedules of operations.

2. For mobile major medical equipment:
 - a. List all sites that will be served;
 - b. Provide current and/or proposed schedule of operations;
 - c. Provide the lease or contract cost.
 - d. Provide the fair market value of the equipment; and
 - e. List the owner for the equipment.
3. Indicate applicant's legal interest in equipment (*i.e.*, purchase, lease, etc.) In the case of equipment purchase include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

- III. (A) Attach a copy of the plot plan of the site on an 8 1/2" x 11" sheet of white paper which **must** include:
Please see drawing included in the Attachment "Section B, Project Description - III (A) Plot Plan" on page 19 at the end of the application.

1. Size of site (*in acres*); 14.668 Acres
2. Location of structure on the site; and
3. Location of the proposed construction.
4. Names of streets, roads or highway that cross or border the site.

Please note that the drawings do not need to be drawn to scale. Plot plans are required for all projects.

- (B) 1. Describe the relationship of the site to public transportation routes, if any, and to any highway or major road developments in the area. Describe the accessibility of the proposed site to patients/clients.

The center will be located at 2300 Pavilion Dr., Kingsport, TN. The center location is adjacent to N John B Dennis Highway 93. The center site is located across the street from Indian Path Medical Center and is accessible to the major public transportation routes of Sullivan County.

Kingsport Area Transit System (KAT) bus routes access the greater Kingsport area. KATS began in 1995 and operates five vehicles on fixed route services. In addition, KATS also operates four vehicles for ADA/handicapped route passengers. NHC's site can be accessed via the Route four line.

Please see map and bus schedule included in the Attachment "Section B, Project Description - III (B) Bus Schedule" on page 20 at the end of the application.

- IV. Attach a floor plan drawing for the facility which includes legible labeling of patient care rooms (noting private or semi-private), ancillary areas, equipment areas, etc. on an 8 1/2" x 11" sheet of white paper.

NOTE: **DO NOT SUBMIT BLUEPRINTS.** Simple line drawings should be submitted and need not be drawn to scale.

Please see drawing included in the Attachment "Section B, Project Description - IV Floor Plan" on page 25 at the end of the application.

- V. For a Home Health Agency or Hospice, identify: **Not Applicable**

1. Existing service area by County;
2. Proposed service area by County;
3. A parent or primary service provider;
4. Existing branches; and
5. Proposed branches.

SECTION C: GENERAL CRITERIA FOR CERTIFICATE OF NEED

In accordance with Tennessee Code Annotated § 68-11-1609(b), "no Certificate of Need shall be granted unless the action proposed in the application for such Certificate is necessary to provide needed health care in the area to be served, can be economically accomplished and maintained, and will contribute to the orderly development of health care." The three (3) criteria are further defined in Agency Rule 0720-4-.01. Further standards for guidance are provided in the state health plan (Guidelines for Growth), developed pursuant to Tennessee Code Annotated §68-11-1625.

The following questions are listed according to the three (3) criteria: (I) Need, (II) Economic Feasibility, and (III) Contribution to the Orderly Development of Health Care. Please respond to each question and provide underlying assumptions, data sources, and methodologies when appropriate. Please type each question and its response on an 8 1/2" x 11" white paper. All exhibits and tables must be attached to the end of the application in correct sequence identifying the question(s) to which they refer. If a question does not apply to your project, indicate "Not Applicable (NA)."

Five Principles for Achieving Better Health

The following Five Principles for Achieving Better Health serve as the basic framework for the State Health Plan.

1. Healthy Lives

The purpose of the State Health Plan is to improve the health of Tennesseans.

While this principle focuses mainly on the goals and strategies that support health policies and programs at the individual, community, and state level that will help improve the health status of Tennesseans, this project is consistent in that it supports a continuum of care model where following an acute care stay patients would be able to receive intensive skilled nursing care and rehabilitative services at a stepped down cost from an acute care setting. The ultimate goal for all patients admitted is to return home to the least restrictive and least costly option available where the individual can live the healthiest life possible.

2. Access to Care

Every citizen should have reasonable access to health care.

NHC's healthcare model targets patients that are Medicare qualified beneficiaries seeking skilled nursing and rehabilitation services following a prior hospital stay. The majority of all patients placed in nursing homes from the acute care setting are Medicare beneficiaries. Since Medicare is a federal insurance program covering individuals age 65 and over, as well as disabled individuals below that age, access to long term care Medicare beds is a function of bed availability in the market. In Sullivan County, the problem exists for the acute care providers and their timely placement of Medicare nursing home patients to a qualified Medicare nursing home bed. The addition of the 30 requested Medicare beds will help to improve access to this level of care. Also, approval of the request will also help to alleviate extra patient days in acute care beds while waiting for a Medicare bed to become available, which is costly to the system and also creates access problems on the acute care side of the continuum as well.

3. Economic Efficiencies

The state's health care resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies and the continued development of the state's health care system.

The proposed project speaks to the very heart of this principle at several levels. First, the project was developed in cooperation between NHC and MSHA, a long term care provider and a large hospital system. As accountable care organizations (ACO) begin to develop, with an eye to economic efficiencies and competitive markets, the state's health care system will begin to reshape itself. Ultimately, the goal of ACO's is to better serve the needs of the patient which this project is designed to do. By assuring that the appropriate level of care and health care beds are available, when needed, the state's health care system will be able to keep cost to their lowest level possible by making sure patients utilize services at the lowest level and cost possible. NHC's average length of stay for this projected to be 29 days, which is consistent with NHC HealthCare, Bristol located in Sullivan County VA.

4. Quality of Care

Every citizen should have confidence that the quality of health care is continually monitored and standards are adhered to by health care providers.

NHC as a Long term care provider is surveyed both at the State and Federal level. Through various sources, including the Medicare.gov website and the Nursing Home Compare data sets, consumers can now compare and research long term care providers, home care providers and acute care providers. NHC compares favorably both at the State level and the national level regarding these measurements. Please see the attached table which shows NHC Survey Analysis showing its recent quality performance. In addition, NHC's quality outcome's is also why several big health care systems are discussing establishing ACO's with NHC operations across the State of Tennessee and country.

5. Health Care Workforce

The state should support the development, recruitment, and retention of a sufficient and quality health care workforce.

NHC is consistent with this principle and has a long outstanding history with developing, recruitment and retention of a quality health care workforce. NHC non profit, Foundation for Geriatric Education, since its inception in 1982, has funded over \$2,200,000 in books and academic programs for a qualified health care workforce. The company also have a tuition reimbursement program which has funded millions of dollars for direct tuition for students. In addition, the company runs several of its own training programs to educate long term care health care workers such as a two year administrator in training program, a dietetic internship program, certified nursing assistant program, and advanced geriatric therapy program. NHC is also active in the federal workforce development system in locations across our markets and locally in the Middle Tennessee area with the Middle Tennessee Workforce Development Board for over ten years.

QUESTIONS

NEED

1. Describe the relationship of this proposal toward the implementation of the State Health Plan and Tennessee's Health: Guidelines for Growth.

- a. Please provide a response to each criterion and standard in Certificate of Need Categories that are applicable to the proposed project. Do not provide responses to General Criteria and Standards (pages 6-9) here.
- b. Applications that include a Change of Site for a health care institution, provide a response to General Criterion and Standards (4)(a-c) Not Applicable

The following has been taken from the Tennessee's Health Guidelines for Growth, Criteria and Standards for Certificate of Need, 2000.

NURSING HOME SERVICES

Public Chapter No. 1112, Senate Bill No. 2463, which passed during the 1998 legislative session, amended and changed the code sections establishing the bed need formula that the Health Services and Development Agency must follow when granting certificates of need for nursing home beds in Tennessee. During the fiscal year (July 1 – June 30), the Agency shall issue no more than the designated number of Medicare skilled nursing facility beds for applicants filing for a certificate of need. The number of Medicare skilled nursing facility beds issued shall not exceed the allocated number of beds for each applicant. The applicant must also specify in the application the skilled services to be provided and how the applicant intends to provide such services.

The Tennessee General Assembly directed that there be a pool of 125 skilled nursing facility beds available for certificate of need approval in the fiscal year from July 1, 2012 to June 30, 2013. The General Assembly also directed that nursing home bed certificates of need could be issued only for Medicare – certified skilled nursing facility beds, and that no applicant receives more than 30 such beds.

A. Need

1. According to TCA 68-11-1622, the need for nursing home beds shall be determined by applying the following population-based statistical methodology:

County bed need = .0005 x pop. 65 and under, plus
.0120 x pop. 65 – 74
.0600 x pop. 75 – 84
.1500 x pop 85+

As stated above, Public Chapter No. 1112, Senate Bill No. 2463, amended and changed the code sections establishing the bed need formula that the Health Services and Development Agency must follow when granting certificates of need for nursing home beds in Tennessee. Based on the above referenced bed need methodology and a Nursing Facility Bed Need: Comparison of Tennessee's Health: Guidelines for Growth 2000 vs. Statute, By Total State and County 2000, there is a need in Sullivan County of nursing home beds projected for 2014, or a need for an additional 440 beds in Sullivan County. **Please see Nursing Facility Bed Need Report located in Attachment "Section C. General Criteria - 1.A. Need" located on page 26 at the end of the application.** This information, which is the most current available to the department, was provided and is included here for reference.

These projections demonstrate a need based on the population growth in Sullivan County for nursing beds.

**SNF Need Formula
Sullivan County Bed Need**

2. The need for nursing home beds shall be projected two years into the future from the current year as calculated by the Department of Health.

Sullivan County – SNF Formula

County Bed Need	2014 Population	Rate	Needed Beds By Age
Population 65 & under	124,533	0.0005	62
Population 65-74	16,720	0.012	201
Population 75-84	9,189	0.06	551
Population 85+	<u>4,141</u>	0.15	<u>621</u>
	154,583		1,435
Outstanding CON's			0
Existing Beds =			995
Need =			440

Source: Office of Health Statistics, Bureau of Health Informatics, Tennessee Department of Health
Existing beds based on licensed beds, Licensed Health Facilities, TN
Department of Health 11/1/2012

So noted by the applicant. The bed need referenced in response to Question 1 is the projected two year to show the 2014 bed need. There is a net need for an additional 440 nursing beds, per this report, well in excess of NHC's requested 30 beds.

3. **The source of the current supply and utilization of licensed and CON approved nursing home beds shall be the inventory of nursing home beds maintained by the Department of Health.**

So noted by the applicant. The following bed inventory was reported to the referenced agency for year ending 12/31/08 through 12/31/11 for Sullivan County. In addition, there are no approved or outstanding CON's for nursing home beds in Sullivan County.

Sullivan County Nursing Homes Occupancy

2008 - 2011

NURSING HOMES	2012 Licensed Beds	2008 Occupancy	2009 Occupancy	2010 Occupancy	2011 Prov. Occupancy
Bristol Nursing Home*	120	90.6%	77.8%	81.9%	81.7%
Brookhaven Manor*	180	92.7%	91.0%	88.0%	87.7%
Greystone Health Care Center*	165	77.9%	77.2%	84.5%	80.0%
Holston Manor	204	90.6%	95.0%	90.4%	129.5%
Indian Path Medical Center Transitional Care	22	78.3%	71.7%	72.9%	77.6%
The Cambridge House	130	90.8%	94.6%	94.4%	N/A
The Wexford House	174	86.8%	94.6%	95.5%	95.5%
Total	995	87.9%	83.9%	89.0%	87.0%

* In 2009, Bristol Nursing Home reported data from 9/1/09 - 12/31/09

In 2010, Brookhaven reported 178 beds in the JAR; however, occupancy is computed for 180 licensed beds.

On 7/1/11 Greystone delicensed 5 beds for a facility total of 165 licensed beds

Cambridge House and Holston Manor are not included in the 2011 Total Occupancy

Source: 2009, 2010, 2011 JAR Reports, Schedule E Beds

2009, 2010, 2011 JAR Reports, Schedule F Utilization - Part 2, Resident Days of Care

2008 Summary Reports of Tennessee Nursing Home Data

4. **"Service area" shall mean the county or counties represented on an application as the reasonable area to which a health care institution intends to provide services and/or in which the majority of its service recipients reside. A majority of the population of a service area for any nursing home should reside within 30 minutes travel time from that facility.**

Since the proposed project is utilized by the elderly population most frequently, and the elderly often have difficulty with transportation and travel, the primary service has been determined to be Sullivan County. However, we do expect that some residents will come from outside our primary service area. Nevertheless, we have confined our need justification to Sullivan County where the majority of the population of the service area is within 30 minutes travel time from the proposed facility.

Please see Attachment "Section C General Criteria - A.4. Service Area JAR Report", on page 34 located at the end of the application that reflects nursing home resident information by county of residence for Sullivan County.

5. **The Health Services and Development Agency may consider approving new nursing home beds in excess of the need standard for a service area, but the following criteria must be considered:**

- a. **All outstanding CON projects in the proposed service area resulting in a net increase in beds are licensed and in operation, and**

There are no outstanding CON projects in the proposed service area resulting in a net increase in beds to Sullivan County.

- b. **All nursing homes that serve the same service area population as the applicant have an annualized occupancy in excess of 90%.**

As of the last available Joint Annual Report for Nursing Homes in 2011, all nursing homes did not have an annualized occupancy in excess of 90%. One of the licensed centers is hospital based nursing home bed unit which typically do not reach occupancy levels near 90%. In addition, another center with a lower occupancy rate has been through ownership change which often reflects on occupancy rates before and after the change. And another centers location within the county is not conveniently located to the growing population areas of Sullivan County.

B. Occupancy and Size Standards:

1. **A nursing home should maintain an average annual occupancy rate for all licensed beds of at least 90 percent after two years of operation.**

The proposed project projects over a 90 percent annual occupancy rate for all licensed beds after two years of operation.

2. **There shall be no additional nursing home beds approved for a service area unless each existing facility with 50 beds or more has achieved an average annual occupancy rate of 95 percent. The circumstances of any nursing home, which has been identified by the Regional Administrator, as consistently non-complying with quality assurance regulations shall be considered in determining the service areas, average occupancy rate.**

Please see Attachment "Section C. General Criteria – 2B" located on page 40 at the end of the application which shows the survey history of the nursing homes in Sullivan County.

3. **A nursing home seeking approval to expand its bed capacity must have maintained an occupancy rate of 95 percent for the previous year.**

Please note that the existing 22 beds, currently operated and licensed to Mountain States Health Alliance, Inc., in the Indian Path Medical Center, have been operated within an acute care center, seventh floor, which historically have not operated at an occupancy rate of 95 percent due to number of beds available and based on how hospital based skilled nursing home units typically operate.

4. **A freestanding nursing home shall have a capacity of at least 30 beds in order to be approved. The Health Services and Development Agency may make an exception to this standard. A facility of less than 30 beds may be located in a sparsely populated rural area where the population is not sufficient to justify a larger facility. Also, a project may be developed in conjunction with a retirement center where only a limited number of beds are needed for the residents of that retirement center.**

Not Applicable, the proposed project is for the addition of 30 beds to an existing licensed 22 bed licensed nursing home facility.

2. **Describe the relationship of this project to the applicant facility's long-range development plans, if any.**

At NHC, our company motto is Care is Our Business. NHC's long-range development plans for Sullivan County is quite simple, to provide quality long-term care services to meet the needs of the citizens of Sullivan County. Our goal is to expand into the Kingsport area and provide the needed long-term services we have provided over the last 30 years to the residents of Sullivan County on the Virginia side of the State line. The building we are purchasing will accommodate another 8 nursing home beds in addition to the 52 beds which are the subject of this CON. NHC will continue to evaluate the growing needs in Sullivan County to determine if and when it would be appropriate to file and request another CON before the agency.

3. **Identify the proposed service area and justify the reasonableness of that proposed area. Submit a county level map including the State of Tennessee clearly marked to reflect the service area. Please submit the map on 8 1/2" x 11" sheet of white paper marked only with ink detectable by a standard photocopier (i.e., no highlighters, pencils, etc.).**

The service area for this proposed project is Sullivan County. This is a reasonable area since nursing residents prefer not to leave their local communities. **Please see the county level map in Attachment "Section C. General Criteria - 3 Service Area Map" located on page 43 at the end of the application.** The continued growth in the population group aged 65 and above as documented support the continued need for and existence of high quality of care nursing home beds in Sullivan County.

4. A. Describe the demographics of the population to be served by this proposal.

During the 20th century, the number of person in the United States under age 65 has tripled. At the same time, the number aged 65 and over has grown by a factor of 11. According to Census Bureau's projections, the elderly populations will more than double between 1995 and the year 2050, to 80 million. By that year, as many as 1 in 5 Americans could be elderly. In 2010, persons 65 and above represented 13.0% of the total population (Census 2010).

Perhaps more significant is the rapid growth expected in oldest old age group, which are more likely to need some form of nursing home care. Thanks to the arrival of the survivors of the baby boom generation, it is expected the oldest old will number 19 million in 2050. That would make them 22 percent of elderly Americans and 4.3 percent of all Americans. (U.S. Census, *The Next four Decades: The Older Population in the United States: 2010 to 2050*, 5/10)

Diagnostic Related Group (DRG) prospective payment for hospitals made a significant impact on the demand for nursing home services. The prospective payment system encourages hospitals to discharge their elderly patients to long term care facilities (Modern Healthcare, 1984). Nursing homes today still experience great demand to accommodate patients who are admitted sicker and require greater amounts of nursing care. Consequently, there exist a growing need for nursing facilities offering and providing high level and quality skilled care services (Level II). Since many of the local medical centers do not provide nursing home care, the responsibility to provide this level of service rest on local nursing home providers.

Sullivan County's age 65 and over population grew by 8.0% from 2010 to 2014. According to the Census figures, Sullivan County 85 and over population increased by 482 persons from 2010 to 2015 or 12.8% from 3,760 to 4,242 residents.

The age 65+ population in Sullivan County is projected to increase from 27,826 to 30,050, from 2010 to 2014 respectively (Source: Office of Health Statistics, TN Dept of Health) The primary population to be served by the proposal is those over the age of 65. **Please see Attachment "Section C – General Criteria – 4A Demographics of the Population Served" located on page 44 at the end of the application.**

Sullivan County Population Projections

Age	Sullivan County				
	2010	2014	2015	2010 - 2014 % Increase	2000 - 2015 % Increase
60 - 64	10,388	10,525	10,564	1.3%	1.7%
65-74	15,163	16,720	17,137	10.3%	13.0%
75-84	8,903	9,189	9,267	3.2%	4.1%
85+	3,760	4,141	4,242	10.1%	12.8%
65+	27,826	30,050	30,646	8.0%	10.1%
Total Population	154,096	154,583	154,820	0.3%	0.5%

Source: TN Dept of Health, Office of Policy, Planning & Assessment, Division of Health Statistics

B.

Describe the special needs of the service area population, including health disparities, the accessibility to consumers, particularly the elderly, women, racial and ethnic minorities, and low-income groups. Document how the business plans of the facility will take into consideration the special needs of the service area population.

The proposed project is accessible to all consumers, including women, racial and ethnic minorities, and low-income groups seeking skilled care. NHC at Indian Path is proposing to operate a 52 bed nursing home adjacent to Indian Path Medical Center in Sullivan County in an existing facility to be renovated. The services proposed herein address special needs of the population which this center will serve. The services will be made readily available to each of the following:

- (a) Low income persons;
- (b) Racial and ethnic minorities;
- (c) Women;
- (d) Handicapped persons;
- (e) Elderly; and
- (f) Other underserved persons (e.g., "sub-acute" care patients discharged from hospitals and persons with dementia).

It is and will be the centers policy to be readily accessible to low income persons, racial and ethnic minorities, women, handicapped persons, elderly, and other underserved persons.

5. Describe the existing or certified services, including approved but unimplemented CONs, of similar institutions in the service area. Include utilization and/or occupancy trends for each of the most recent three years of data available for this type of project. Be certain to list each institution and its utilization and/or occupancy individually. Inpatient bed projects must include the following data: admissions or discharges, patient days, and occupancy. Other projects should use the most appropriate measures, e.g., cases, procedures, visits, admissions, etc.

The information contained herein, is based on the most current published information reported by the State of Tennessee and other sources. The following bed inventory was reported to the referenced agency for year ending 11/1/12 for Sullivan County. In addition, there are no approved or outstanding CON's for new (net increase) nursing home beds in Sullivan County.

**Sullivan County Nursing Homes Occupancy
2008 - 2011**

NURSING HOMES	2012 Licensed Beds	2008 Occupancy	2009 Occupancy	2010 Occupancy	2011 Prov. Occupancy
Bristol Nursing Home*	120	90.6%	77.8%	81.9%	81.7%
Brookhaven Manor*	180	92.7%	91.0%	88.0%	87.7%
Greystone Health Care Center*	165	77.9%	77.2%	84.5%	80.0%
Holston Manor	204	90.6%	95.0%	90.4%	129.5%
Indian Path Medical Center Transitional Care	22	78.3%	71.7%	72.9%	77.6%
The Cambridge House	130	90.8%	94.6%	94.4%	N/A
The Wexford House	174	86.8%	94.6%	95.5%	95.5%
Total	995	87.9%	83.9%	89.0%	87.0%

* In 2009, Bristol Nursing Home reported data from 9/1/09 - 12/31/09

In 2010, Brookhaven reported 178 beds in the JAR; however, occupancy is computed for 180 licensed beds.

On 7/1/11 Greystone delicensed 5 beds for a facility total of 165 licensed beds

Cambridge House and Holston Manor are not included in the 2011 Total Occupancy

Source: 2009, 2010, 2011 JAR Reports, Schedule E Beds

2009, 2010, 2011 JAR Reports, Schedule F Utilization - Part 2, Resident Days of Care

2008 Summary Reports of Tennessee Nursing Home Data

6. Provide applicable utilization and/or occupancy statistics for your institution for each of the past three (3) years and the projected annual utilization for each of the two (2) years following completion of the project. Additionally, provide the details regarding the methodology used to project utilization. The methodology must include detailed calculations or documentation from referral sources, and identification of all assumptions.

Annual utilization for each of the two (2) years following completion of the project.

	<u>2015</u>	<u>2016</u>
NHC at Indian Path	46.05%	94.15%

Please see Attachment, Section C, Economic Feasibility – 4, Historical & Projected Data Chart, p. 100 for the details and methodology used to project utilization.

ECONOMIC FEASIBILITY

1. Provide the cost of the project by completing the Project Costs Chart on the following page. Justify the cost of the project.

- All projects should have a project cost of at least \$3,000 on Line F. (Minimum CON Filing Fee). CON filing fee should be calculated from Line D. (See Application Instructions for Filing Fee)
- The cost of any lease should be based on fair market value or the total amount of the lease payments over the initial term of the lease, whichever is greater.
- The cost for fixed and moveable equipment includes, but is not necessarily limited to, maintenance agreements covering the expected useful life of the equipment; federal, state, and local taxes and other government assessments; and installation charges, excluding capital expenditures for physical plant renovation or in-wall shielding, which should be included under construction costs or incorporated in a facility lease.
- For projects that include new construction, modification, and/or renovation; documentation must be provided from a contractor and/or architect that support the estimated construction costs.

The cost of this proposed project is \$10,385,615 for 52 bed nursing home. Costs for the proposed project are based on actual cost incurred on projects undertaken by NHC and based on the experience of Johnson & Bailey, Architects. Estimates provided are considered to be consistent with past experience and to be based on sound assumptions.

Special efforts to be made by the applicant to contain the costs of offering the proposed services are the following:

- a. Group Purchasing
- b. Shared Services
- c. Energy Conservation
- d. Controlled Management Costs
- e. Cost and Quality Control

Please see Attachment "Section C - Economic Feasibility – 1 Project Cost Chart" located on page 77 at the end of the application.

PROJECT COSTS CHART

A. Construction and equipment acquired by purchase:

- 2012 DEC 12 PM 2 56
1. Architectural and Engineering Fees _____
 2. Legal, Administrative (Excluding CON Filing Fee), Consultant Fees _____
 3. Acquisition of Site _____
 4. Preparation of Site _____
 5. Construction Costs _____
 6. Contingency Fund _____
 7. Fixed Equipment (Not included in Construction Contract) _____
 8. Moveable Equipment (List all equipment over \$50,000) _____
 9. Other (Specify) _____

B. Acquisition by gift, donation, or lease:

1. Facility (inclusive of building and land) _____
2. Building only _____
3. Land only _____
4. Equipment (Specify) _____
5. Other (Specify) _____

C. Financing Costs and Fees:

1. Interim Financing _____
2. Underwriting Costs _____
3. Reserve for One Year's Debt Service _____
4. Other (Specify) _____

D. Estimated Project Cost
(A+B+C)

E. CON Filing Fee

F. Total Estimated Project Cost
(D+E)

TOTAL _____

2. Identify the funding sources for this project.

- a. **Please check the applicable item(s) below and briefly summarize how the project will be financed. (Documentation for the type of funding MUST be inserted at the end of the application, in the correct alpha/numeric order and identified as Attachment C, Economic Feasibility-2.)**

The proposed project has the following source of funds: A commitment of working capital has been secured from National HealthCare Corporation. Debt incurred for the project will be retired as reflected on Projected Data Chart.

- ☐ A. Commercial loan--Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;
- ☐ B. Tax-exempt bonds--Copy of preliminary resolution or a letter from the issuing authority stating favorable initial contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;
- ☐ C. General obligation bonds—Copy of resolution from issuing authority or minutes from the appropriate meeting.
- ☐ D. Grants--Notification of intent form for grant application or notice of grant award; or
- ☒ E. Cash Reserves--Appropriate documentation from Chief Financial Officer.
- ☐ F. Other—Identify and document funding from all other sources.
Please see letter indicating the required information in Attachment "Section C Economic Feasibility – 2" located on page 81 at the end of the application.

3. Discuss and document the reasonableness of the proposed project costs. If applicable, compare the cost per square foot of construction to similar projects recently approved by the Health Services and Development Agency.

The proposed project is reasonable in relation to similar facilities in the state. The cost per bed is \$235,362 which is comparable to similar types of projects in the state taking into consideration the square footage of the building and amount of ancillary space the residents will have. Furthermore, project costs are reasonable and inline with our past experience. Thus, quality nursing services and the continuum of care will be expanded in the local area cost effectively.

**Nursing Home Construction Cost Per Square Foot
Years: 2009 – 2011**

	Renovated Construction	New Construction	Total Construction
1st Quartile	NA	\$158.44/sq. ft.	\$94.55/sq. ft.
Median	NA	\$167.31/sq. ft.	\$165.00/sq. ft.
3rd Quartile	NA	\$176.00/sq. ft.	\$168.25/sq. ft.

Source: HSDA CON approved applications for years 2009 through 2011 Due to insufficient sample size, Renovated Construction is not available.

4. Complete Historical and Projected Data Charts on the following two pages--Do not modify the Charts provided or submit Chart substitutions! Historical Data Chart represents revenue and expense information for the last *three (3)* years for which complete data is available for the institution. Projected Data Chart requests information for the two (2) years following the completion of this proposal. Projected Data Chart should reflect revenue and expense projections for the *Proposal Only* (i.e., if the application is for additional beds, include anticipated revenue from the proposed beds only, not from all beds in the facility).

Please see Attachment "Section C Economic Feasibility – 4 Historical & Projected Data Chart" located on page 95 at the end of the application.

5. Please identify the project's average gross charge, average deduction from operating revenue, and average net charge. The Projected Data Chart was used as the source for the requested calculations.

	Year One (Patient Days 8,741)	Year Two (Patient Days 17,870)
Average Gross Charge	\$637.07	\$646.99
Average Deduction	\$163.56	\$164.01
Average Net Charge	\$473.51	\$482.98

HISTORICAL DATA CHART

Give information for the last *three* (3) years for which complete data are available for the facility or agency. The fiscal year begins in _____ (Month). 2012 DEC 12 PM 2:58

	Year _____	Year _____	Year _____
A. Utilization Data (Specify unit of measure)	_____	_____	_____
B. Revenue from Services to Patients			
1. Inpatient Services	\$ _____	\$ _____	\$ _____
2. Outpatient Services	_____	_____	_____
3. Emergency Services	_____	_____	_____
4. Other Operating Revenue (Specify) _____	_____	_____	_____
Gross Operating Revenue	\$ _____	\$ _____	\$ _____
C. Deductions for Operating Revenue			
1. Contractual Adjustments	\$ _____	\$ _____	\$ _____
2. Provision for Charity Care	_____	_____	_____
3. Provisions for Bad Debt	_____	_____	_____
Total Deductions	\$ _____	\$ _____	\$ _____
NET OPERATING REVENUE	\$ _____	\$ _____	\$ _____
D. Operating Expenses			
1. Salaries and Wages	\$ _____	\$ _____	\$ _____
2. Physician's Salaries and Wages	_____	_____	_____
3. Supplies	_____	_____	_____
4. Taxes	_____	_____	_____
5. Depreciation	_____	_____	_____
6. Rent	_____	_____	_____
7. Interest, other than Capital	_____	_____	_____
8. Other Expenses (Specify) _____	_____	_____	_____
Total Operating Expenses	\$ _____	\$ _____	\$ _____
E. Other Revenue (Expenses) – Net (Specify)	\$ _____	\$ _____	\$ _____
NET OPERATING INCOME (LOSS)	\$ _____	\$ _____	\$ _____
F. Capital Expenditures			
1. Retirement of Principal	\$ _____	\$ _____	\$ _____
2. Interest	_____	_____	_____
Total Capital Expenditures	\$ _____	\$ _____	\$ _____
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	\$ _____	\$ _____	\$ _____

PROJECTED DATA CHART

Give information for the two (2) years following the completion of this proposal. The fiscal year begins in _____ (Month).

2012 DEC 12 PM 2 56

	Year _____	Year _____
A. Utilization Data (Specify unit of measure) _____	_____	_____
B. Revenue from Services to Patients		
1. Inpatient Services	\$ _____	\$ _____
2. Outpatient Services	_____	_____
3. Emergency Services	_____	_____
4. Other Operating Revenue (Specify) _____	_____	_____
Gross Operating Revenue	\$ _____	\$ _____
C. Deductions for Operating Revenue		
1. Contractual Adjustments	\$ _____	\$ _____
2. Provision for Charity Care	_____	_____
3. Provisions for Bad Debt	_____	_____
Total Deductions	\$ _____	\$ _____
NET OPERATING REVENUE	\$ _____	\$ _____
D. Operating Expenses		
1. Salaries and Wages	\$ _____	\$ _____
2. Physician's Salaries and Wages	_____	_____
3. Supplies	_____	_____
4. Taxes	_____	_____
5. Depreciation	_____	_____
6. Rent	_____	_____
7. Interest, other than Capital	_____	_____
8. Other Expenses (Specify) _____	_____	_____
Total Operating Expenses	\$ _____	\$ _____
E. Other Revenue (Expenses) -- Net (Specify)	\$ _____	\$ _____
NET OPERATING INCOME (LOSS)	\$ _____	\$ _____
F. Capital Expenditures		
1. Retirement of Principal	\$ _____	\$ _____
2. Interest	_____	_____
Total Capital Expenditures	\$ _____	\$ _____
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	\$ _____	\$ _____

6. Please provide the current and proposed charge schedules for the proposal. Discuss any adjustment to current charges that will result from the implementation of the proposal. Additionally, describe the anticipated revenue from the proposed project and the impact on existing patient charges.

Patient Charge/Reimbursement	Year 1(03/2016)	Year 2(03/2017)
	<u>Proposed</u>	<u>Proposed</u>
Managed Care	\$441.89	\$450.73
Medicare	\$493.38	\$503.24
Medicare Part B	\$ 0.37	\$ 0.37
Other	\$ 0.36	\$ 0.37

The proposed CON project calls for the relocation, and replacement of 22 beds and the addition of 30 new beds to create a 52 bed nursing home to be called NHC at Indian Path. Please note that the existing rates for the Indian Path in Section C, Economic Feasibility, Six (6) B. Please note that since the Indian Path rates are hospital base SNF rates, they are significantly higher than the rates proposed. Consequently, once the Medicare RUG rates were projected, they were inflated 3.0% annually. The anticipated revenue from the proposed project is sufficient to produce positive net operating income in year two of \$224,889.

- B. Compare the proposed charges to those of similar facilities in the service area/adjoining service areas, or to proposed charges of projects recently approved by the Health Services and Development Agency. If applicable, compare the proposed charges of the project to the current Medicare allowable fee schedule by common procedure terminology (CPT) code(s).**

Please see Attachment "Section C – Economic Feasibility – 6b Estimated Rates" on page 118 at the end of the application for a comparison of the proposed charges to those of similar facilities in Sullivan County. Please note that Medicare reimburses providers via a perspective payment system. Providers are compensated equally based on the particular service rendered. A comparison of the 2011 rates, provisional JAR, inflated 4.5% a year to the projected 2015 opening show the proposed charges to be similar.

7. Discuss how projected utilization rates will be sufficient to maintain cost-effectiveness.

The projected utilization rates are sufficient to maintain cost-effectiveness. Please see the proforma Projected Data Chart located in the Attachments to this CON application on page 97 including page 100 for a two-year projection showing utilization rates sufficient to maintain cost effectiveness.

8. Discuss how financial viability will be ensured within two years; and demonstrate the availability of sufficient cash flow until financial viability is achieved.

The nursing home is projected within the second year to have sufficient positive cash flow to achieve financial viability. **(Please see Projected Data Chart on page 97 of the attachments and page 81 documenting the availability of sufficient cash for the project)**

9. Discuss the project's participation in state and federal revenue programs including a description of the extent to which Medicare, TennCare/Medicaid, and medically indigent patients will be served by the project. In addition, report the estimated dollar amount of revenue and percentage of total project revenue anticipated from each of TennCare, Medicare, or other state and federal sources for the proposal's first year of operation.

The proposed project will be accessible to patients eligible for nursing home care. Medicare, insurance and private funded payment sources are accepted by the center. Patient payor mix for NHC at Indian Path has been projected in the proforma based on NHC's experience and assumptions based on the acute care market place needs.

The estimated dollar amount of revenue and percentage of total project revenue anticipated by payor source for year one is as follows:

Managed Care	\$1,544,842	37.32%
Medicare	\$2,587,770	62.52
Medicare Part B	\$ 3,207	0.08
Misc.	\$ 3,127	0.08
Total	\$4,138,946	100%

Source: Attachments, page 115 of the financial proforma assumptions.

10. Provide copies of the balance sheet and income statement from the most recent reporting period of the institution and the most recent audited financial statements with accompanying notes, if applicable. For new projects, provide financial information for the corporation, partnership, or principal parties involved with the project. Copies must be inserted at the end of the application, in the correct alpha-numeric order and labeled as Attachment C, Economic Feasibility-10.

Please see Attachment "Section C Economic Feasibility - 2 page 82 at the end of the application for the most recent audited financial statements for NHC (year end 12/31/2011) and the most current available 10Q, dated 9/30/12.

11. Describe all alternatives to this project which were considered and discuss the advantages and disadvantages of each alternative including but not limited to:

- a. A discussion regarding the availability of less costly, more effective, and/or more efficient alternative methods of providing the benefits intended by the proposal. If development of such alternatives is not practicable, the applicant should justify why not; including reasons as to why they were rejected.**

After compiling all of the facts, it was decided that the best alternative would be to replace and relocate the 22 beds currently operating in Indian Path Medical Center as a Transitional Care Unit, and add 30 additional Medicare skilled beds for a total of 52 beds. This proposal will allow NHC at Indian Path to meet the long-term care needs of the residents of Sullivan County and continue to offer the medical community in the Mountain States Health Alliance (MSHA), as well as other, access to a convenient high quality provider that will help to ensure continuity of care for its patients in the coming years.

- (a) Do nothing. The decision has been made by MSHA to discontinue offering its Transitional Care Unit within its hospital in the future. MSHA, in a public process, requested proposals from interested providers, to continue to offer the SNF services away from its existing hospital location. NHC was selected by MSHA as the provider/proposal that best met the hospital's needs. Our desire is to move the beds to the Indian Path Pavilion which is adjacent to the hospital campus and continue to serve the hospital and the Sullivan County residents' health care needs for years to come.
- (b) Request more than 30 beds. This proposal was considered but rejected because the proposed thirty (30) beds with allow maximum efficiency of operation and design. The projected need in Sullivan County is for an additional 440 Medicare beds in 2014.
- (c) Request fewer than 30 beds. This proposal was considered but rejected based on project financial feasibility and our goal to renovate the existing Indian Path Pavilion and replace the hospitals existing 22 bed SNU. To accommodate the projected growth and need for skilled beds for the year 2014, additional beds should be added. The bed need projected by the Guidelines for Growth show a need for 440 additional skilled beds by year 2014. Our request is for 30 beds to open by 2014.
- (d) Replacement the existing 22 beds at the site of the former Indian Path Pavilion and add 30 new Medicare beds for a center total of 52 beds. This proposal was considered and accepted. By renovating the existing Indian Path Pavilion, the proposed project will be able to use existing resources and continue to offer the skilled nursing services currently provided in the hospital, in practically the same general service area of Sullivan County. The proposed site is adjacent from the exiting hospital location. This area of town is part of a medical center of town and offers good access to other areas of Sullivan County. This proposal is being pursued because it meets the projected needs and orderly development of the health care community in Sullivan County.

- b. The applicant should document that consideration has been given to alternatives to new construction, e.g., modernization or sharing arrangements. It should be documented that superior alternatives have been implemented to the maximum extent practicable.**

NHC has chosen an alternative to new construction by deciding to renovate and modernize the former Indian Path Pavilion facility.

(III.) CONTRIBUTION TO THE ORDERLY DEVELOPMENT OF HEALTH CARE

1. **List all existing health care providers (e.g., hospitals, nursing homes, home care organizations, etc.), managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual and/or working relationships, e.g., transfer agreements, contractual agreements for health services.**

Transfer agreements will be established between all relevant health care providers in the community including but not limited to the following:

HealthSouth Rehabilitation Hospital
Indian Path Medical Center
Select Specialty Hospital - TriCities
Wellmont Bristol Regional Medical Center
Wellmont-Holston Valley Medical Center
Other Area Kingsport, Sullivan County and surrounding health care providers

Contractual relationships will be drawn up with a Medical Director, Dietary Consultant, Physical Therapist, Medical Record Consultant, and Therapists for other treatment such as oxygen therapy. Contractual relationships are established with local dentists, optometrists, gerontologists and other specialized physicians, in order to meet the needs of the patients.

A licensed pharmacist is a member of the Pharmacy Committee, and a local pharmacy is awarded a contract to supply medications for the patients. If a patient does not wish to use the pharmacy with which the facility has contracted, the patient will have the choice of the pharmacy he chooses to use provided the pharmacy agrees to the mandates of the State regulations and the rules and regulations of the nursing home.

It is the intent of this facility to meet all the requirements of the TN Department of Health with regard to agreements, contractual arrangements and participation by health care professionals. The following is the process, which has been established to coordinate and provide for a continuum of care in the project in conjunction with other providers:

Purpose: The purpose of being actively involved in the community continuum of care is to provide the consumer within our market area the opportunity to acquire the most appropriate level and type of services for his/her needs. These needs relate to medical support, personal care, personal maintenance and nutritional guidance. We will focus on coordinating our services with other health care providers through effective communication and teamwork.

Targeted Population: Although the targeted population is diverse due to the multifaceted nature of the continuum of care, two groups dominate NHC's particular services on the continuum.

1. Individuals in other community settings who need services devoted to rehabilitation and short-term stays in the healthcare center.
2. Persons who can no longer be maintained or cared for in their current setting and need 24-hour care for chronic and/or debilitating conditions of a long-term nature.

Methodology:

Step 1: Maintain a listing of Current Community Resources-This listing is categorized according to type of service contact person for each organizations. Standard categories, with the function as it relates to our facility include the following:

<u>Organization</u>	<u>Function</u>
Hospitals	Discharge sub-acute patients to more cost-effective nursing centers.
Hospices	Care for special group of terminally ill.
Residential Facilities	Residential institution for those unable to maintain independent lifestyles but do not need intense Medical Care.
Assisted Living (ALF)	Group environment to prevent immediate admission to long-term care facility.
Home Health Care	Provides Medical treatment on less expensive environment than institution.
Home Support	Household or personal services essential to any home health care program.
Adult Day Care	Needed respite service for family support while care provided at home.
Nutrition Programs	Health promotions service which also acts to encourage socialization and prevent isolation.
Senior Centers/ Recreation Services	Acts to improve quality of life and encourages socialization

Step 2: All potential nursing center patients and referrals are pre-screened to determine whether the person's condition warrants admission to the nursing center. If admission to the nursing center is not appropriate, and if the person's condition is such that he can be cared for at home with assistance, the Admissions Director and the Social Services Director will refer the person and his family to the appropriate service provider. This will ensure that elderly persons are not being inappropriately admitted to the nursing center and coordination of other services is maintained.

For elderly persons admitted to the nursing center, discharge planning will ensure that patients are discharged to a non-institutional setting when their physical condition improves. Discharge planning begins upon the patient's admission to the center. At that time, the Admissions Director and Social Services Director will meet with the patient and his family to discuss the availability of suitable accommodations following discharge as determined by the initial assessment.

The patient's progress is monitored and reassessed on a regular basis to determine whether the patient is a candidate for transfer to the community. The Social Services Director, who is part of the center's interdisciplinary care team, will update each patient's medical record with progress notes regarding discharge planning on a regular basis. If discharge has been determined to be appropriate, the Social Services Director will advise the patient and his family of the availability of community support systems, such as home health care, adult day care, etc. The Social Services Director will serve as the liaison between the patient, his family, and the appropriate provider to coordinate the discharge home and the linkage for support services.

Linkages to facilitate referrals and transfers are established through formal working agreements and referral arrangements. These agreements are established prior to facility opening to ensure immediate linkages. Given the fact that NHC already operates in Sullivan County, the replacement center will benefit from established referral agreements with the targeted organizations listed above.

Responsible Position: The center's Admissions Director and Social Services Director are responsible for ensuring that potential patients who inquire at the center for admission are referred to the appropriate provider if admission to the nursing center is not warranted or if such service is needed. The Social Services Director is responsible for discharge planning to ensure that patients are discharged from the center when they are ready and that transfer to a semi-institutional setting or to home with appropriate support services is successfully coordinated. Through their ongoing work, the Admissions Director and Social Services Director will maintain linkages and working relationships with providers of non-institutional services.

Desired Outcome: The desired outcome is to ensure that discharges and/or referrals to support services are available and coordinated in a timely manner for patients who no longer require nursing home care and for elderly inquiring at the center for services, but who are inappropriate for admission.

- 1) Become a strong link in the chain of health care providers as it relates to an overall continuum of care.
- 2) Improve and enhance proper service utilization.
- 3) Improve patients' medical conditions by using available avenues.
- 4) Reduce cost by eliminating duplication of services.

Measurement of Outcome: The Admissions Director and Social Services Director will maintain a record of inquiries and referrals of elderly persons seeking long-term care services. These records are reviewed through Quality Assurance and state licensure surveys to determine if appropriate referrals are being made.

Patient medical records are reviewed on a regular basis by the interdisciplinary care team to determine if discharge from the nursing center is appropriate, and if discharge planning goals are being updated or modified. Discharge planning will also be monitored through Quality Assurance surveys and state licensure surveys. Utilization review is conducted every month for Medicare patients. Monitoring of discharge planning will promote the utilization of less intensive, non-institutional services whenever possible.

To integrate and utilize other providers in the health care network the center has established and will have linkages with others in the health care network through the following process:

Purpose: To promote the utilization of less intensive, non-institutional services such as home health care, adult day care, meals on wheels, etc. Since the proposed nursing center will not offer these services, linkages are established with providers of these services to ensure accessibility and transfer when appropriate by nursing center patients.

Targeted Population: Persons targeted for referral to non-institutional services are those nursing center patients whose health has improved to the point where they no longer require 24-hour nursing supervision and are eligible for transfer to home or to a semi-institutional setting, with support services. Referrals will also be made for persons inquiring at the center for long-term care services, but whom after pre-screening, are determined to be inappropriate for nursing home admission.

Linkages are developed by the center with other providers in Sullivan County to provide services not offered by the center. Sullivan County has over 24 home health agencies, 11 hospice and 20 assisted living providers. Although the residents will have a choice in health care providers, following is a list of some providers the facility will work with to provide services not offered by the center.

Home Health Agencies

Advanced Home Care
Amedisys Home Health
Gentiva Health Services
Medical Center Homecare, Kingsport
NHC HomeCare
Smoky Mountain Home Health & Hospice

Hospice

Amedisys Hospice
Caris Hospice
Medical Center Hospice
Smoky Mountain Home Health & Hospice
Wellmont Hospice

Meals on Wheels

Area Meals on Wheels

Assisted Living Centers

Asbury Place at Steadman Hill
Broadmore Assisted Living at Bristol
Crown Cypress
Elmcroft of Kingsport
Emeritus at Kingsport
Preston Place II
Preston Place Suites
Remington House
Wellington Place of Colonial Heights
Wellmont Madison House

Desired Outcome: The desired outcome is to ensure that discharges and/or referrals to non-institutional support services are available and coordinated in a timely manner for patients who no longer require nursing home care and for elderly inquiring at the center for services, but who are inappropriate for admission.

Consequently, transfer agreements are established between all relevant health care providers in the community.

Contractual relationships are established with local dentists, optometrists and other specialized physicians, in order to meet the needs of the patients.

A licensed pharmacist will be a member of the Pharmacy Committee, and a local pharmacy is awarded a contract to supply medications for the patients. If a patient does not wish to use the pharmacy with which the facility has contracted, the patient will have the choice of the pharmacy he chooses to use provided the pharmacy agrees to the mandates of the State regulations and the rules and regulations of the nursing home.

It is the intent of this facility to meet all the requirements of the TN Department of Health with regard to agreements, contractual arrangements and participation by health care professionals.

- 2. Describe the positive and/or negative effects of the proposal on the health care system. Please be sure to discuss any instances of duplication or competition arising from your proposal including a description of the effect the proposal will have on the utilization rates of existing providers in the service area of the project.**

NHC at Indian Path, LLC is requesting the authority to open a new nursing home comprised of 52 beds in an existing building located adjacent to Indian Path Medical Center. The results are seen to have positive effects for both the long-term care industry and the growing aging population in Sullivan County.

National HealthCare Corporation is one of the largest providers of long-term care beds and services in the State of Tennessee, of which NHC at Indian Path, LLC is a subsidiary. NHC at Indian Path will be committed to providing the highest quality of care at maximum efficiency. Through the proposed project, NHC will continue with its commitment to improve both efficiency and care in Sullivan County.

This project will serve as an expansion of needed skilled nursing home beds and services to the residents of Sullivan County. The proposed project will serve as a referral source for home health agencies, assisted living centers, doctors and area hospitals. This project will not have negative effects on the health care system of duplication or competition because the 30 beds represent only a fraction of the 440 beds projected in the State's formula to be needed by 2014 in Sullivan County, and based on the fact that 22 of the 52 beds are merely replacement beds. In addition, these beds, which will be located adjacent to Indian Path Medical Center, will serve the growing long term care bed needs in the MSHA health care delivery system.

3. **Provide the current and/or anticipated staffing pattern for all employees providing patient care for the project. This can be reported using FTEs for these positions. Additionally, please compare the clinical staff salaries in the proposal to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development and/or other documented sources.**

For over thirty years, NHC has been staffing and providing nursing home care in Sullivan County. Staff salaries used in the financial projects are reasonable in comparison with prevailing wage patterns in the area. We know this to be true based on our ability to currently staff a nursing home to the required levels in Sullivan County as well as all of our other operations across the State of Tennessee and the other state we operate in presently. Wage and salaries used in the proforma projections are consistent with what is offered in other NHC centers in the market area and inflated forward to center opening. Surveys conducted by the Tennessee Department of Labor and Workforce Development by area allow NHC to remain competitive with staff salaries in comparison with prevailing wage patterns in the area.

Please see Attachment "Section C Economic Feasibility – 4" located on page 116 at the end of the application for the current and/or anticipated staffing pattern for all employees providing patient care for the project reported using FTEs for these positions.

Please see Attachment "Section III Contribution of Orderly Development – 3" located on page 138 at the end of the application for the for the comparison of the clinical staff salaries to prevailing wage patterns in the service area as published by the Tennessee Department of Labor & Workforce Development.

4. **Discuss the availability of and accessibility to human resources required by the proposal, including adequate professional staff, as per the Department of Health, the Department of Mental Health and Developmental Disabilities, and/or the Division of Mental Retardation Services licensing requirements.**

Please see Attachment "Section C Economic Feasibility – 4" located on page 116 at the end of the application for a listing of projected human resources required by the proposal per the licensing requirements of the Department of Health. The proposed project will require a total of 63.3 FTE's of which 35 FTE's are in nursing (RN, LPN, Aides) (Year 2). The applicant has had an approved CNA training program in-house and has the ability to staff the projected FTE increase based on its current staff and potential employees on file.

5. **Verify that the applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. These include, without limitation, regulations concerning physician supervision, credentialing, admission privileges, quality assurance policies and programs, utilization review policies and programs, record keeping, and staff education.**

The applicant has reviewed and understands all licensing certification as required by the State of Tennessee for medical/clinical staff. Specifically, the applicant is familiar with the Rules of the Tennessee Department of Health, Board for Licensing Health Care Facilities, Chapter 1200-8-6, Standards for Nursing Homes.

6. **Discuss your health care institution's participation in the training of students in the areas of medicine, nursing, social work, etc. (e.g., internships, residencies, etc.).**

NHC has been in operation for over 40 years and is currently operating NHC HealthCare, Bristol an established center on the Virginia side of Sullivan County. NHC at Indian Path will surely generate a lot of interest from professional nursing personnel in the community. NHC recognizes that staffing shortages are an issue across the nation. Nevertheless, NHC has operated in the Sullivan County since 1973 and based on that experience, does not expect to have a problem staffing the proposed project.

The anticipated medical personnel (FTE's) required for the replacement facility, at 93.33% occupancy in year two, during the three shifts, is as follows:

<u>Personnel</u>	<u>Total FTE's</u>
DON	1.0
RNs	8.4
LPNs	4.2
Aides/Orderlies	22.4

Staffing at long-term health care facilities is, of course, dependent on the availability of licensed and unlicensed personnel in the market area. While a review of the general market area of this facility indicates that NHC's recruitment efforts should have little impact on existing facilities, NHC has a company-wide policy to provide in-house education and incentive programs to assist in obtaining licensed as well as certified non-licensed personnel. Company strives to have each health care center owned or managed by NHC will have two partners attending nursing school under a scholarship program.

Secondly, NHC has identified areas in which there appear to be acute shortages of licensed personnel and in these areas has an active scholarship program at all 2 and 4-year nursing schools, as well as a recruitment effort with the graduating high school classes. This program, which was initiated in 1987, has attained excellent success. In addition to the educational push for licensed personnel, the Company operates a full in-house certification program for nurse aides and technicians. The program will be headed up by a registered nurse located in Knoxville, Tennessee, concentrates on utilizing existing vocational schools and/or nonprofit groups to provide classroom space. Classes are run, on the average, every two months and reach a dozen or so potential nurse aides or technicians in each program. At the end of the course, the individuals who graduate are eligible to participate as certified nurse aides in all of the southeastern states, which have such certification courses.

Finally, the Company runs an intensive administrator-in-training program, which takes college graduates and works them through a 24-month training program, learning every aspect of the management and administration of long-term health care centers. More than half of the company's administrators are presently graduates of this program. All in all, the company has the highest commitment to the continuing education of its partners and the recruitment of qualified outside individuals with intent to assist their educational activities to help meet the continuing health care needs of the aging population of America.

National HealthCare Corporation prides itself and owes much of its success to over 11,000 partners. NHC realizes that staffing of medical facilities across the country is becoming more of a problem. However, NHC has managed to avoid many of the staffing problems experienced by other operators by offering competitive salaries and extended benefits to all levels of personnel. The NHC philosophy is to operate as a team, with every job having equal bearing on our desired goal to provide the best possible long-term health care to the growing elderly population. All company partners are carefully screened for each job to ensure that the best possible placement. The company attitude toward all its partners along with competitive salaries and a friendly, secure, professional work environment has enabled NHC to attract the kind of team that has made it so successful for over forty (40) years. NHC also has many strict requirements and company training programs (which are nationally recognized) that continue the level of expertise necessary to deliver state of the art nursing care. Consequently, NHC has an outstanding record for low staff turnover in the industry.

NHC at Indian Path draws nurses from the surrounding market area. Staff is often acquired from local advertising, recruitment at area colleges, and word of mouth from other partners. And as stated previously, applicants are drawn from resumes kept on file by NHC.

To provide access by health professional schools and behavioral research projects NHC has established the following:

Purpose: The purpose of NHC's established and proven recruitment plan is to recruit and maintain staff in a variety of disciplines necessary to meet the needs of residents, and provide high quality patient care. The recruitment plan is also used to eliminate and/or reduce reliance on nursing pool personnel and to recruit the highest quality personnel available in the area with the potential for career advancement and longevity. The beneficiaries of staffing retention are the patients that are provided with continuous, superior care.

Targeted Staff Categories: All staff categories, including nursing, social service, administration, dietary, housekeeping, laundry, and maintenance. Particular emphasis is placed on professional and non-professional nursing personnel. NHC has experienced its primary shortage of staff in nurses and nurse aides, and has targeted increased efforts toward the recruitment of personnel in these positions.

Methodology: This recruiting plan has been approved by the management of NHC and has been implemented in all 76 facilities owned and/or managed by NHC. NHC at Indian Path will use the following methods:

National HealthCare Corporation's philosophy whenever adding new beds is that the time and effort expended prior to opening in obtaining quality personnel is beneficial for both the company and the patients of the facility. Thus, considerable effort is used to recruit a staff for the facility that meets the following major criteria:

- 1) Each staff member is attuned to the National HealthCare Corporation philosophy of restorative nursing and emphasizing quality of life for our patients; and
- 2) To the extent possible, each staff member has a record of stable employment and a commitment to both the facility and the elderly. The Administrator is trained in the company Administrator program, and will likely be a member of the National HealthCare Corporation corporate staff for training for approximately two (2) years. NHC currently has (10) ten Administrators in its training program. The Administrator and the corporate staff will tailor our Recruitment Plan to meet the local market. The goal of this plan is to put together a cohesive program of partner recruitment at the outset, which will enable the facility to select and recruit an initial staff, which will have not less than 40% partner retainage after five years.

In order to implement the Recruitment Plan and to recruit new partners after opening the facility, the following methods are used:

The recruitment plan is updated annually to account for changes in local market conditions. A great majority of staff personnel are recruited through traditional means, which include classified advertisements, word of mouth among existing staff members and within the community at-large, and through individuals approaching the facility on a walk-in basis to apply for employment. This method has been quite successful for NHC in attracting staff of varied disciplines to its facilities. National HealthCare Corporation owned and operated facilities enjoy an outstanding reputation in their communities and offer prospective partners an opportunity for growth and advancement while working for a quality nursing home operator in a clean, stable work environment at competitive wages.

Currently NHC includes the following recruiting incentives in its package:

Highly competitive wages	Non-partner Educational Loan Program
Tuition Reimbursement	Continuing Education Program (C.E.U.s)
Ongoing skills training	Earned Time Off
Group Life Insurance	Group Health Insurance (w/ Dental)
Company-Paid Retirement	Partner Stock Purchase Plan
Corporate promotions and recognition	

For nursing personnel, additional recruitment steps are taken to supplement those described above. The first step involves more intensified recruitment for the nurse aid positions to help alleviate shortages experienced within the state. NHC has begun an aggressive recruitment program in Tennessee for nurses and nurse aides aimed at the retired and semi-retired persons living within the service area of its facilities. The program involves both advertising and community outreach in order to invite this targeted group to visit the facility and explore opportunities in the geriatric nursing field. An advantage of this program is the availability of flexible hours, which conform to the needs of the prospective partner. NHC recognizes the retiree/semi-retiree as the largest untapped work force in the service area and in Tennessee as a whole, and desires to benefit from the broad experience, compassion, and understanding these people can bring to the patients and other staff at the facility.

The second step to aid in recruiting nursing personnel to the facility involves integration with the area's educational institutions. To assist with staff recruitment and promote community involvement, the facility will work within the community in the following manner:

- A. DON will serve with local advisory boards of Vocational Technical Schools. In addition, the facility will provide a classroom for Certified Nursing Assistant, Advanced Certified Nursing Assistant, and Home Health Aide Classes. This will provide NHC with an advantage for staff recruitment. Upon graduation from each step, partners are given a banquet dinner, certificates, and monetary raises.
- B. NHC has established relationships with the following educational institutions to aid in recruitment of qualified nursing personnel:

- East Tennessee State University
- Milligan College
- King College
- Northeast State Technical Community College
- CNT School
- Nashville Area Technical School
- Tennessee State Vocational College

Not only are top-notch applicants recruited from the above schools, but all major schools in the Southeast are include in our recruiting plans. Also, all state and national association meetings are well attended including an exhibit booth and display on recruiting. (This includes National meetings of Nurses, Registered Physical Therapists, Speech Pathologists and Occupational Therapists.

Responsible Positions: The overall recruitment plan is implemented initially by the facility's administrator who then reports and has input and output from the National HealthCare Corporation's corporate staff. On an ongoing basis, the Administrator working with department heads are responsible for recruitment. The DON is heavily involved in the recruitment of LPN's and RN's, as is the corporate staff.

Judy W. Powell, R.N., MS, is Senior Vice-President of Patient Services and is responsible for the overall plan of National HealthCare Corporation.

Desired Outcome: The desired outcome is to attract and maintain a full, stable, motivated staff capable of providing the level of patient care expected by the patient and Applicant alike and who respect and strive to maintain the dignity of each and every patient. Particular emphasis is placed on obtaining long-term partners.

Measure of Outcome: The outcome is measured by monthly data collected, maintained and reported in the monthly administrative meeting regarding manpower characteristics.

Specifically, the effectiveness of the Recruitment Plan is measured:

- 1) By the general success of the facility in staff recruitment;
- 2) By the partner turnover rate through either voluntary or involuntary dismissal;
- 3) By facility Quality Assurance and licensure ratings; and
- 4) By overall staff retention for various periods of time.
- 5) Hours of Nurse Registry used during the year.

An overall turnover of 40% of the facility's initial staff and 70% of its professional staff after five years is the goal of the program. Although at some times unavoidable, the use of nursing pool personnel is considered unacceptable and represents a failure of the Recruitment Plan.

Giving partners a choice of a primary care assignment enhances low nursing turnover. A primary care assignment consists of the same nurse and the same nursing assistant taking care of the same patients every day. Partners who do not wish a permanent assignment may choose to work "relief" assignments when primary-care partners are off.

Nursing Administration believes that this greatly improves the quality of continuity since partners who retain the same patients are much more aware of individual patients preferences. In addition, this enhances a bonding between patients, partners and patient families.

NHC at Indian Path will have 24-hour RN coverage.

7. (a) **Please verify, as applicable, that the applicant has reviewed and understands the licensure requirements of the Department of Health, the Department of Mental Health and Developmental Disabilities, the Division of Mental Retardation Services, and/or any applicable Medicare requirements.**

The applicant has reviewed and understands the licensure requirements of the Department of Health, and/or any applicable Medicare requirements.

- (b) **Provide the name of the entity from which the applicant has received or will receive licensure, certification, and/or accreditation.**

Licensure: licensed by the State of Tennessee to provide nursing home services

Accreditation: Not Applicable

If an existing institution, please describe the current standing with any licensing, certifying, or accrediting agency. Provide a copy of the current license of the facility.

NHC at Indian Path is not currently licensed by the State of Tennessee to provide nursing home services, the building is vacant.

- (c) For existing licensed providers, document that all deficiencies (if any) cited in the last licensure certification and inspection have been addressed through an approved plan of correction. Please include a copy of the most recent licensure/certification inspection with an approved plan of correction.

Please see Attachment "Section C Economic Feasibility – 7(c) located on page 123 at the end of the application for documentation from the most recent licensure/certification inspection and an approved plan of correction.

9. Document and explain any final orders or judgments entered in any state or country by a licensing agency or court against professional licenses held by the applicant or any entities or persons with more than a 5% ownership interest in the applicant. Such information is to be provided for licenses regardless of whether such license is currently held.

Not Applicable, None.

10. **Identify and explain any final civil or criminal judgments for fraud or theft against any person or entity with more than a 5% ownership interest in the project**

Not Applicable, None.

11. **If the proposal is approved, please discuss whether the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required.**

If approved, the applicant will provide the Tennessee Health Services and Development Agency and/or the reviewing agency information concerning the number of patients treated, the number and type of procedures performed, and other data as required. The applicant files a Joint Annual Report Annually

PROOF OF PUBLICATION

Attach the full page of the newspaper in which the notice of intent appeared with the mast and dateline intact or submit a publication affidavit from the newspaper as proof of the publication of the letter of intent.

Please see "Attachment – Proof of Publication" located on page 142 and the "Letter of Intent" located on page 145 at the end of the application.

DEVELOPMENT SCHEDULE

Tennessee Code Annotated § 68-11-1609(c) provides that a Certificate of Need is valid for a period not to exceed three (3) years (for hospital projects) or two (2) years (for all other projects) from the date of its issuance and after such time shall expire; provided, that the Agency may, in granting the Certificate of Need, allow longer periods of validity for Certificates of Need for good cause shown. Subsequent to granting the Certificate of Need, the Agency may extend a Certificate of Need for a period upon application and good cause shown, accompanied by a non-refundable reasonable filing fee, as prescribed by rule. A Certificate of Need which has been extended shall expire at the end of the extended time period. The decision whether to grant such an extension is within the sole discretion of the Agency, and is not subject to review, reconsideration, or appeal.

1. Please complete the Project Completion Forecast Chart on the next page. If the project will be completed in multiple phases, please identify the anticipated completion date for each phase.
2. If the response to the preceding question *indicates that the applicant does not anticipate completing the project within the period of validity as defined in the preceding paragraph*, please state below any request for an extended schedule and document the "good cause" for such an extension.

Form HF0004
Revised 05/03/04
Previous Forms are obsolete

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision date, as published in Rule 68-11-1609(c) 03/01/13

Assuming the CON approval becomes the final agency action on that date, indicate the number of days from the above agency decision date to each phase of the completion forecast.

<u>Phase</u>	<u>DAYS REQUIRED</u>	<u>Anticipated Date (MONTH/YEAR)</u>
1. <u>Architectural and engineering contract signed</u>	<u>15</u>	<u>3/13</u>
2. <u>Construction documents approved by the Tennessee Department of Health</u> **	<u>105</u>	<u>6/13</u>
3. <u>Construction contract signed</u>	<u>135</u>	<u>7/13</u>
4. <u>Building permit secured</u>	<u>165</u>	<u>8/13</u>
5. <u>Site preparation completed (Not Applicable)</u>		
6. <u>Building construction commenced</u>	<u>165</u>	<u>8/13</u>
7. <u>Construction 40% complete</u>	<u>285</u>	<u>12/13</u>
8. <u>Construction 80% complete</u>	<u>405</u>	<u>4/14</u>
9. <u>Construction 100% complete (approved for occupancy)</u>	<u>530</u>	<u>7/14</u>
10. <u>*Issuance of license</u>	<u>560</u>	<u>8/14</u>
11. <u>*Initiation of service</u>	<u>560</u>	<u>8/14</u>
12. <u>Final Architectural Certification of Payment</u>	<u>620</u>	<u>10/14</u>
13. <u>Final Project Report Form (HF0055)</u>	<u>650</u>	<u>11/14</u>

* For projects that do NOT involve construction or renovation: Please complete items 10 and 11 only.

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

AFFIDAVIT

STATE OF Tennessee 2012 DEC 12 PM 2 56

COUNTY OF Rutherford

Bruce K. Duncan, being first duly sworn, says that he/she is the applicant named in this application or his/her/its lawful agent, that this project will be completed in accordance with the application, that the applicant has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete.

/Assistant Vice President
SIGNATURE/TITLE

Sworn to and subscribed before me this 11th day of December, 2012 a Notary
(Month) (Year)

Public in and for the County/State of Rutherford/Tennessee.




NOTARY PUBLIC

My commission expires September 21, 2016.
(Month/Day) (Year)

ATTACHMENTS

Section A. Applicant Profile - 4

Type of Ownership or Control

**Articles of Organization, Certificate of Existence, Organizational Chart &
Listing of Other Nursing Facilities owned by NHC/OP, L.P.**



STATE OF TENNESSEE
Tre Hargett, Secretary of State
Division of Business Services
William R. Snodgrass Tower
312 Rosa L. Parks AVE, 6th FL
Nashville, TN 37243-1102

Filing Information

Name: **NHC at Indian Path, LLC**

General Information

Control # :	659883	Formation Locale:	Sullivan County
Filing Type:	Limited Liability Company - Domestic	Date Formed:	06/02/2011
Filing Date:	06/02/2011 1:09 PM	Fiscal Year Close	12
Status:	Active	Member Count:	1
Duration Term:	Perpetual		
Managed By:	Manager Managed		

Registered Agent Address

National Registered Agents, Inc.
2300 Hillsboro Road, Suite 305
Nashville, TN 37212

Principal Address

2300 Pavilion Drive
Kingsport, TN 37660

The following document(s) was/were filed in this office on the date(s) indicated below:

Date Filed	Filing Description	Image #
06/02/2011	Initial Filing	6896-2665

Active Assumed Names (if any)	Date	Expires
-------------------------------	------	---------

State of Tennessee



Department of State

Corporate Filings
312 Eighth Avenue North
6th Floor, William R. Snodgrass Tower
Nashville, TN 37243

ARTICLES OF ORGANIZATION
(LIMITED LIABILITY COMPANY)

(For use on or after 7/1/2006)

For Office Use Only

RECEIVED
STATE OF TENNESSEE

2011 JUN -2 PM 1:09

TRE HARGETT
SECRETARY OF STATE

The Articles of Organization presented herein are adopted in accordance with the provisions of the Tennessee Revised Limited Liability Company Act.

1. The name of the Limited Liability Company is: NHC at Indian Path, LLC

(NOTE: Pursuant to the provisions of TCA §48-249-106, each limited Liability Company name must contain the words "Limited Liability Company" or the abbreviation "LLC" or "L.L.C.")

2. The name and complete address of the Limited Liability Company's initial registered agent and office located in the state of Tennessee is:
National Registered Agents, Inc.

(Name) 2300 Hillsboro Road, Suite 305 Nashville TN 37203
(Street address) Davidson (City) (State/Zip Code)
(County)

3. The Limited Liability Company will be: (NOTE: PLEASE MARK APPLICABLE BOX)

☐ Member Managed ☒ Manager Managed ☐ Director Managed

4. Number of Members at the date of filing, if more than six (6): 1

5. If the document is not to be effective upon filing by the Secretary of State, the delayed effective date and time is: (Not to exceed 90 days)

Date: , Time:

6. The complete address of the Limited Liability Company's principal executive office is:

2300 Pavilion Drive Kingsport, TN 37660
(Street Address) (City) (State/County/Zip Code)

7. Period of Duration if not perpetual: Perpetual

8. Other Provisions:

9. THIS COMPANY IS A NONPROFIT LIMITED LIABILITY COMPANY (Check if applicable) ☐

June 1, 2011

Signature Date

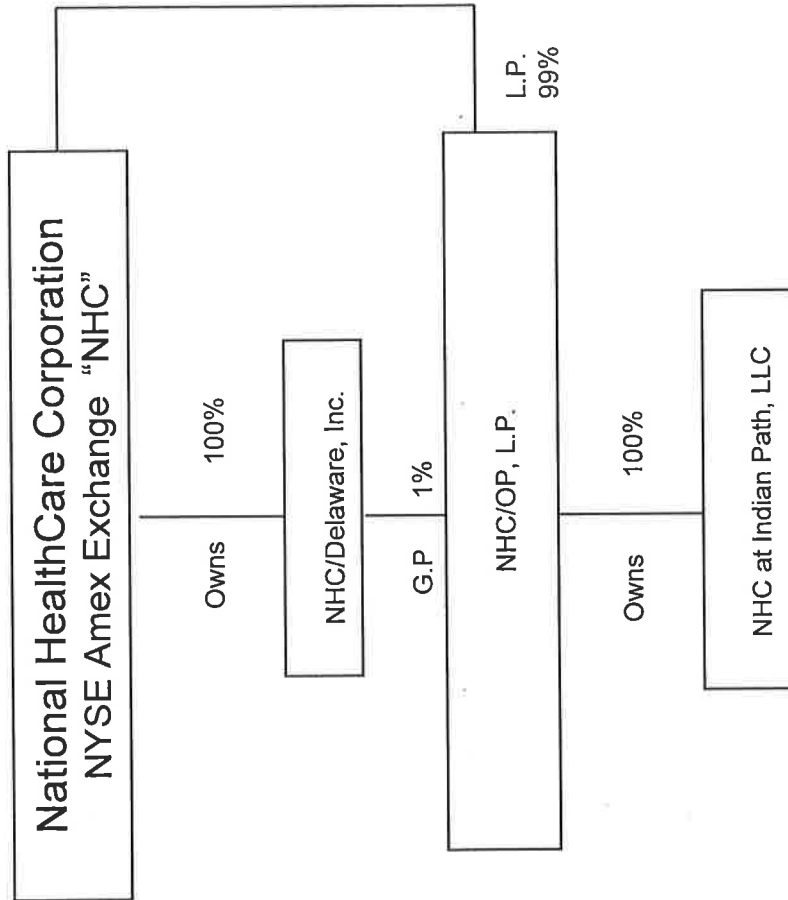
Ann S. Benson
Signature

Secretary of Sole Member

Signer's Capacity (if other than individual capacity)

Ann S. Benson

Name (printed or typed)



NHC/OP, L.P. owns 100% interest of the following nursing facilities:

2/1/12

Alabama

NHC HealthCare, Anniston
2300 Coleman Road
Anniston, AL 36207

NHC HealthCare, Moulton
300 Hospital Street
Moulton, AL 35650

Georgia

NHC HealthCare, Rossville
1425 McFarland Avenue
Rossville, GA 30741

NHC HealthCare, Ft. Oglethorpe
2403 Battlefield Pkwy
Ft. Oglethorpe, GA 30742

Kentucky

NHC HealthCare, Glasgow
P.O. Box 247
Homewood Blvd.
Glasgow, KY 42142-0247

NHC HealthCare, Madisonville
419 North Seminary Street
Madisonville, KY 42431

Missouri

NHC HealthCare, Desloge
801 Brim St.
Desloge, MO 63601

NHC HealthCare, Joplin
2700 E 34th Street
Joplin, MO 64804

NHC HealthCare, Kennett
Route 1, South Bypass
Kennett, MO 63857

Macon Health Care Center
29612 Kellogg Avenue
Macon, MO 63552

NHC HealthCare, Maryland Heights
2920 Fee Fee Road
Maryland Heights, MO 63043

Osage Beach Rehab & Health Care
844 Passover Road
Osage Beach, MO 65065

Springfield Rehab & Health Care
2800 S. Fort Avenue
Springfield, MO 65807

NHC HealthCare, St. Charles
35 Sugar Maple Lane
St. Charles, Mo 63303

NHC HealthCare, Town & Country
13995 Clayton Road
Town & Country, MO 63017

NHC HealthCare, West Plains
211 Davis Drive
West Plains, MO 65775

South Carolina

NHC HealthCare, Anderson
1501 East Greenville
Anderson, SC 29622

NHC HealthCare, Bluffton
3039 Okatie Highway
Bluffton, SC 29910

NHC HealthCare, Charleston
2230 Ashley Crossing Drive
Charleston, SC 29414

NHC HealthCare, Clinton
304 Jacobs Highway
Clinton, SC 29325

NHC HealthCare, Garden City
9405 Highway 17 Bypass
Murrells Inlet, SC 29576

NHC HealthCare, Greenville
1305 Boiling Springs Road
Greer, SC 29650

NHC HealthCare, Greenwood
437 East Cambridge Avenue
Greenwood, SC 29646

NHC HealthCare, Laurens
301 Pinehaven Ext
Laurens, SC 29360

NHC HealthCare, Lexington
2993 Sunset Blvd.
West Columbia, SC 29169

NHC HealthCare, Mauldin
850 East Butler Road
Mauldin, SC 29662

NHC HealthCare, North Augusta
200 Austin Graybill Road
North Augusta, SC 29841

NHC HealthCare, Parklane
7601 Parklane Road
Columbia, SC 29223

Tennessee

The Health Center at AdamsPlace
1927 Memorial Blvd
Murfreesboro, TN 37130

NHC HealthCare, Athens
1204 Frye Street
Athens, TN 37303

NHC HealthCare, Chattanooga
2700 Parkwood Avenue
Chattanooga, TN 37404-1729

The Place at Cool Springs
211 Cool Springs Boulevard
Franklin, TN 37067

NHC HealthCare, Columbia
101 Walnut Lane
Columbia, TN 38401

NHC HealthCare, Dickson
812 N. Charlotte St.
Dickson, TN 37055

NHC HealthCare, Farragut
120 Cavett Hill Lane
Farragut, TN 37922

NHC HealthCare, Franklin
216 Fairground St
Franklin, TN 37064

Holston Health & Rehabilitation Center
3916 Boyds Bridge Pike
Knoxville, TN 37914

NHC HealthCare, Hendersonville
370 Old Shackle Island Road
Hendersonville, TN 37075

NHC HealthCare, Hillview
2710 Trotwood Ave.
Columbia, TN 38401

NHC HealthCare, Johnson City
3209 Bristol Highway
Johnson City, TN 37601

NHC HealthCare, Knoxville
809 Emerald Avenue, NE
Knoxville, TN 37917

NHC HealthCare, Lewisburg
1653 Mooresville Highway
Lewisburg, TN 37091

NHC HealthCare, McMinnville
928 Old Smithville Road
McMinnville, TN 37110

NHC HealthCare, Milan
8017 Dogwood Lane
Milan, TN 38358

NHC HealthCare, Oakwood
244 Oakwood Drive
Lewisburg, TN 37091

NHC HealthCare, Pulaski
993 E. College Street
Pulaski, TN 38478

NHC HealthCare, Scott
2380 Buffalo Road
Lawrenceburg, TN 38464

NHC HealthCare, Sequatchie
405 Dell Trail
Dunlap, TN 37327

NHC HealthCare, Somerville
308 Lake Drive
Somerville, TN 38068

NHC HealthCare, Smithville
825 Fisher Avenue
Smithville, TN 37166

NHC HealthCare, Sparta
34 Gracey Street
Sparta, TN 38583

NHC HealthCare, Springfield
608 8th Avenue East
Springfield, TN 37172

Virginia

NHC HealthCare, Bristol
245 North Street
Bristol, VA 24201

NHC/OP, L.P. owns interest in the following hospice agencies:

Caris Healthcare, LLC
208 Adley Way
Greenville, SC 29607

NHC/OP, L.P. owns 100% interest of the following assisted living facilities:

Assisted Living Facility:

South Carolina

NHC Place-Charleston
1900 Ashley Crossing Drive
Charleston, SC 29414

The Palmettos of Mauldin
810 East Butler Road
Greenville, SC 29607

Palmettos of Parklane
7811 Parklane Road
Columbia, SC 29223

Tennessee

AdamsPlace
1927 Memorial Blvd.
Murfreesboro, TN 37129

NHC Place at Cool Springs
211 Cool Springs Blvd.
Franklin, TN 37067

NHC HealthCare, Dickson
812 N. Charlotte Street
Dickson, TN 37055

NHC Place, Farragut
122 Cavett Hill Lane
Knoxville, TN 37934

NHC HealthCare, Smithville
825 Fisher Avenue
Smithville, TN 37166

NHC HealthCare, Somerville
308 Lake Drive
Somerville, TN 38068

Home for the Aged:

NHC HealthCare Assisted Living
3209 Bristol Highway
Johnson City, TN 37601

Home Health Agencies

NHC HomeCare-St Louis
9495 Page Avenue, Suite 101
St. Louis, MO 63132-1556

NHC HomeCare-, Low Country
109 Burton Avenue, Suite D
Summerville, SC 29845

NHC HomeCare-Piedmont
1668 Herlong Court
Rock Hill, SC 29732

NHC HomeCare-Midlands
193 Medical Circle
West Columbia, SC 29169

NHC/OP, L.P. is the license holder of the following HomeCare agencies

HomeCare Agencies Tennessee

NHC HomeCare, Athens
1011 West Madison Avenue
Athens, TN 37303

NHC HomeCare, Chattanooga
4525 Hixson Pike
Hixson, TN 37415

NHC HomeCare, Columbia
915 S. James Campbell Blvd.
Columbia, TN 38401

NHC HomeCare, Cookeville
567 S. Willow Avenue
Cookeville, TN 38501

NHC HomeCare, Dickson
305 Highway 70 East
Dickson, TN 37055

NHC HomeCare, Franklin
321 Billingsly Court, Suite 6
Franklin, TN 37067

NHC HomeCare, Hendersonville
112 Saundersville Road, Suite B200
Hendersonville, TN 37075

NHC HomeCare, Johnson City
709 Med Tech Parkway
Johnson City, TN 37604

NHC HomeCare, Knoxville
9000 Executive Park Drive, Suite A-205
Knoxville, TN 37923

NHC HomeCare, Lawrenceburg
399 Tripp Road
Lawrenceburg, TN 38464

NHC HomeCare, Lebanon
337B West Baddour Pkwy
Lebanon, TN 37087

NHC HomeCare, Lewisburg
493 Cornersville Road
Lewisburg, TN 37091

NHC HomeCare, McMinnville
612 Sparta St.
McMinnville, TN 37110

NHC HomeCare, Milan
14091 South First Street
Milan, TN 38358

NHC HomeCare, Murfreesboro
237 W. Northfield Blvd., Suite 100
Murfreesboro, TN 37129

NHC HomeCare, Pulaski
1102 E. College Street
Pulaski, TN 38478

NHC HomeCare, Somerville
211 West Market Street
Somerville, TN 38068

NHC HomeCare, Sparta
456 Vista Drive
Sparta, TN 38583

NHC HomeCare, Springfield
2100 Park Plaza Drive
Springfield, TN 37172

South Carolina

NHC HomeCare, Aiken
30 Physician Drive
Aiken, SC 29801

NHC HomeCare, Greenville
210 Adley Way
Greenville, SC 29607-6511

NHC HomeCare, Greenwood
615 South Main Street
Greenwood, SC 39646

NHC HomeCare, Laurens
700 Plaza Circle, Suite O
Clinton, SC 29325

Florida

NHC HomeCare, Carrabelle
1617 West Highway 98, Suite E
Carrabelle, FL 32322

NHC HomeCare, Chipley
1513 Hwy 90
Chipley, FL 32428

NHC HomeCare, Crawfordville
3034 Coastal Hwy
Crawfordville, FL 32327

NHC HomeCare, Marianna
4121 Lafayette St.
Marianna, FL 32446

NHC HomeCare, Merritt Island
2395 N. Courtenay Pkwy, Suite 101
Merritt Island, FL 32953

NHC HomeCare, Ocala
2605 SW 33rd St.
Bldg 100, Suite 103
Ocala, FL 34474

NHC HomeCare, Panama City
1830 Lisenby Ave., Suite B
Panama City, FL 32405

NHC HomeCare, Port St. Joe
418 Reid Ave.
Port St. Joe, FL 32456

NHC HomeCare, Quincy
860 Strong Rd
Quincy, FL 32351

NHC HomeCare, Vero Beach
946 16th Place
Vero Beach, FL 32960

Section A. - Applicant Profile - Item 6 Legal Interest in the Site

Letter of Intent/Lease Agreement

November 6, 2012

Mr. Shane Hilton
Vice President, CFO TN Operations
Mountain States Health Alliance
400 North State of Franklin Road
Johnson City, TN 37604-6094

Re: Proposal to Purchase Indian Path Pavilion ("Center")

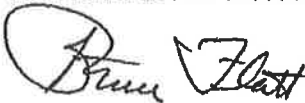
Dear Mr. Hilton:

National HealthCare Corporation ("NHC") will purchase Indian Path Pavilion ("Center") from Mountain States Health Alliance ("Seller") for \$2,650,000. Included in the sale are 22 skilled nursing beds and the land associated with the Center. The parties will enter into a 99 year land lease. Among the contingencies is approval of NHC's approval of a CON to relocate the 22 skilled nursing beds currently in Indian Path Medical Center along with 30 additional skilled nursing beds from the state pool, for a total of 52 beds, by the appropriate governmental authorities. The transaction will close after all contingencies are satisfied, on or before April 15, 2013, unless the date is extended by mutual agreement.

If the above represents your understanding of the transaction, please sign this binding letter (subject to due diligence and issuance of a Certificate of Need) below.

Sincerely,

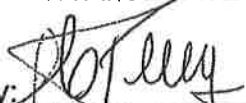
NATIONAL HEALTHCARE CORPORATION



Steve Flatt
President

AGREED AND ACKNOWLEDGED:

MOUNTAIN STATES HEALTH ALLIANCE

By: 
Its: Vice President Rehab And Post Acute Care Svcs
Date: 11/7/12

Pages 15 – 17 intentionally left blank

Section B - Project Description - III (A)

Plot Plan

Section B, Project Description - III (B) Bus Schedule

About KATS

KATS began in 1995 to serve the citizens of Kingsport. Today, KATS has retooled bus routes to provide better and more efficient service to new and growing areas of Kingsport.

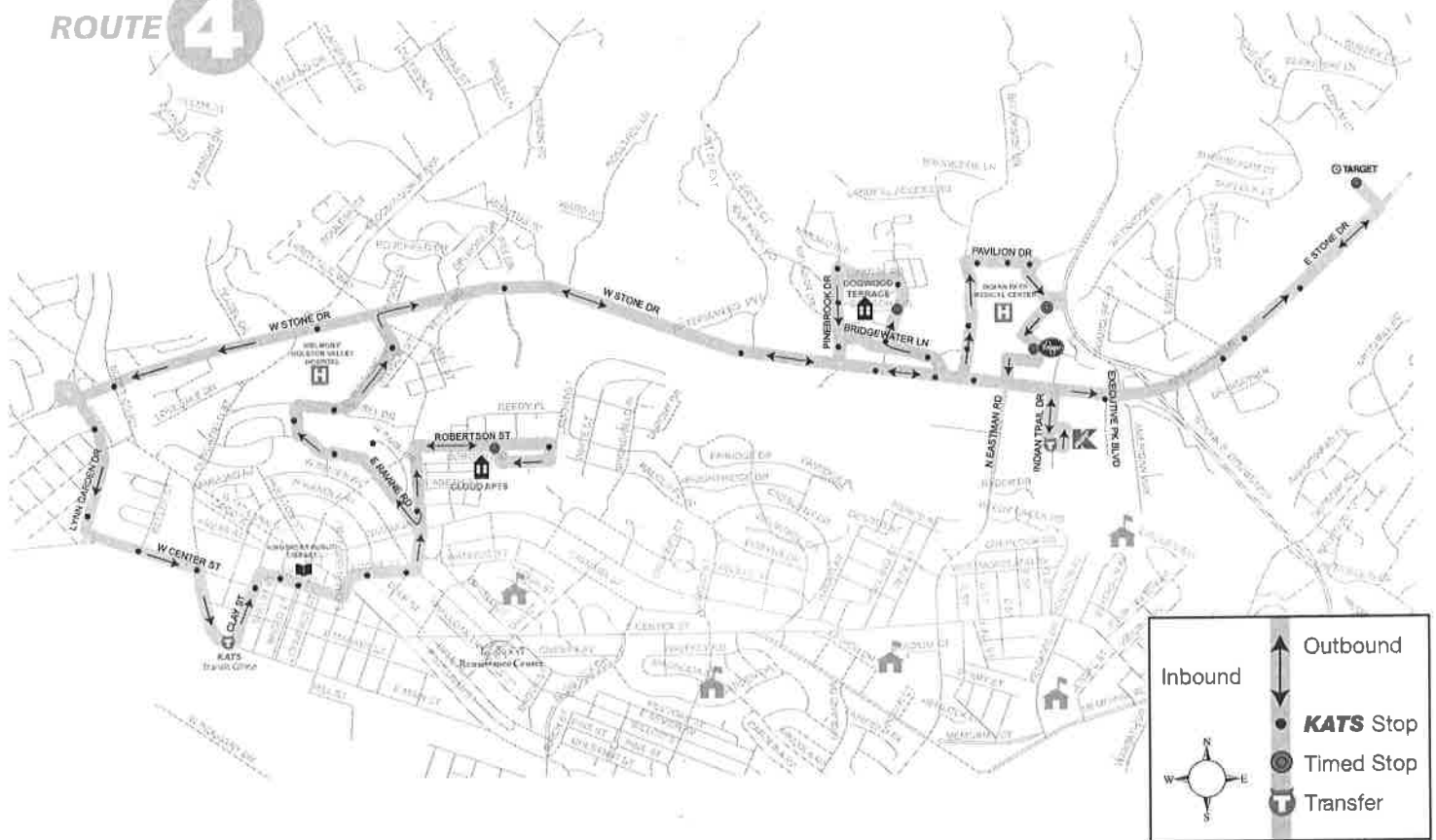
KATS operates five vehicles on fixed route service Monday through Friday from 7:30 a.m. until 5:30 p.m. The system also operates four vehicles for ADA/handicapped routes passengers during the same service hours.

As Kingsport continues to grow, public transportation is growing. Kingsport's 2005 population was 44,130; the city grew by 23.5 percent between 1990 and 2000.

Kingsport is a popular tourist destination, especially for retirees. Kingsport's median age is 41.9 years, older than Tennessee's median age of 35.9 years. In fact, the largest segment of Kingsport's population is age 50 and over, at 40.6 percent of the population. As older adults are large consumers of public transportation, this indicates a strong future for public transit in this segment in Kingsport.



ROUTE 4



Note: "N/S" (no stops) Outbound (Bus leaving station) → Inbound (Bus returning to station) ←

ROUTE 4	Transit Office	Cloud Apts.	Dogwood Terrace	Indian Path Medical Center	Kroger's	K-Mart	Target	
Outbound	7:30 AM	7:36	7:47	7:54	7:55	8:00	8:07	
	8:25	N/S	8:14	N/S	N/S	N/S	N/S	Inbound
Outbound	8:30	8:36	8:47	8:54	8:55	9:00	9:07	
	9:25	N/S	9:14	N/S	N/S	N/S	N/S	Inbound
Outbound	9:30	9:36	9:47	9:54	9:55	10:00	10:07	
	10:25	N/S	10:14	N/S	N/S	N/S	N/S	Inbound
Outbound	10:30	10:36	10:47	10:54	10:55	11:00	11:07	
	11:25	N/S	11:14	N/S	N/S	N/S	N/S	Inbound
Outbound	11:30	11:36	11:47	11:54	11:55	12:00 PM	12:07	
	12:25	N/S	12:14	N/S	N/S	N/S	N/S	Inbound
Outbound	12:30	12:36	12:47	12:54	12:55	1:00	1:07	
	1:25	N/S	1:14	N/S	N/S	N/S	N/S	Inbound
Outbound	1:30	1:36	1:47	1:54	1:55	2:00	2:07	
	2:25	N/S	2:14	N/S	N/S	N/S	N/S	Inbound
Outbound	2:30	2:36	2:47	2:54	2:55	3:00	3:07	
	3:25	N/S	3:14	N/S	N/S	N/S	N/S	Inbound
Outbound	3:30	3:36	3:47	3:54	3:55	4:00	4:07	
	4:25	N/S	4:14	N/S	N/S	N/S	N/S	Inbound
Outbound Last Trip	4:30	4:36	4:47	4:54	4:55	5:00	5:07	
	5:25	N/S	5:14	N/S	N/S	N/S	N/S	Inbound

Section B - Project Description - IV

Floor Plan



LEGEND

	PATIENT ROOMS RENOVATED TO MEET CURRENT STANDARDS
	MAJOR RENOVATION THERAPY SUITE
	MAJOR RENOVATION - MISCELLANEOUS INTERIOR SPACE
	INTERIOR UPGRADE
	EXISTING SPACE REUSED AS-IS
	UNUSED SPACE

(TOTAL DINING: 45,202 SF)

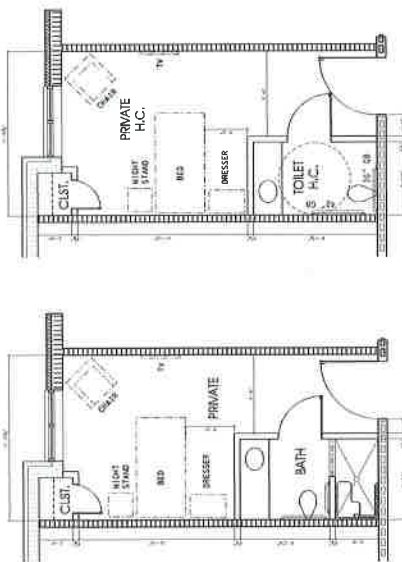
NEW CONSTRUCTION

(TOTAL NEW & EXISTING: 49,124 SF)

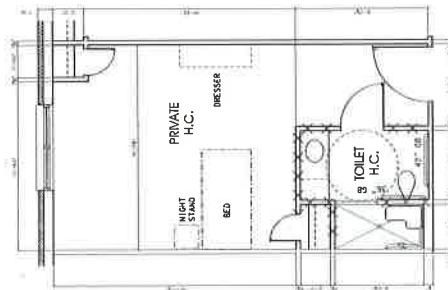
* DENOTES ROOMS THAT ARE A PART OF THE 50 BED COA.

MASTER FLOOR PLAN

1" = 20' 0"



EXISTING PATIENT ROOM
REMODELED TO MEET
HANDICAPPED REQUIREMENTS



NEW CONSTRUCTION
PATIENT ROOM

TYPICAL PATIENT ROOM TYPES

1" = 20' 0"

NHC 52 Bed Health Care Center
at Indian Path
Johnson + Bailey Architects P.C.
September 17, 2012

Section C – General Criteria - 1.A.

Nursing Facility Bed Need

TN Bed-Need Formula

SNF Need Formula

11/1/2012

Sullivan County

County Bed Need

	2014 Population	Rate	Needed Beds By Age
Population 65 & under	124,533	0.0005	62
Population 65-74	16,720	0.012	201
Population 75-84	9,189	0.06	551
Population 85+	4,141	0.15	621
	154,583		1,435
Existing Beds =			995
Need =			440

Source: Office of Health Statistics, Bureau of Health Informatics, Tennessee Department of Health
Existing beds based on licensed beds, Licensed Health Facilities, TN Department of Health

General Bed Need Formula

Sullivan County

County Bed Need

	2014 Population	Rate	Needed Beds By Age
Population 65 & under	124,533	0.0004	50
Population 65-74	16,720	0.01	167
Population 75-84	9,189	0.04	368
Population 85+	4,141	0.15	621
	154,583		1,206
Existing Beds =			995
Need =			211

Source: Office of Health Statistics, Bureau of Health Informatics, Tennessee Department of Health
Existing beds based on licensed beds, Licensed Health Facilities, TN Department of Health

TN Bed Need Formula

SNF Need Formula

11/1/2012

Sullivan County

County Bed Need	2015 Population	Rate	Needed Beds By Age
Population 65 & under	124,174	0.0005	62
Population 65-74	17,137	0.012	206
Population 75-84	9,267	0.06	556
Population 85+	4,242	0.15	636
	154,820		1,460
Existing Beds =			995
Need =			465

Source: Office of Health Statistics, Bureau of Health Informatics, Tennessee Department of Health
Existing beds based on licensed beds, Licensed Health Facilities, TN Department of Health

General Bed Need Formula

Sullivan County

County Bed Need	2015 Population	Rate	Needed Beds By Age
Population 65 & under	124,174	0.0004	50
Population 65-74	17,137	0.01	171
Population 75-84	9,267	0.04	371
Population 85+	4,242	0.15	636
	154,820		1,228
Existing Beds =			995
Need =			233

Source: Office of Health Statistics, Bureau of Health Informatics, Tennessee Department of Health
Existing beds based on licensed beds, Licensed Health Facilities, TN Department of Health

Section C - General Criteria – 1.A.3

Inventory and Utilization

Health Care Facilities

Licensed Facilities

For more information, please contact:

Health Care Facilities: (615)741-7221 or 1-888-310-4650

Current Listings:*Type* = Nursing Home *County* = SULLIVAN[Click here to return to the search page](#)**Total Facilities:7****Total Beds:995**

1.	BRISTOL NURSING HOME 261 NORTH STREET BRISTOL , TN 37620 <i>Attn:</i> CHRISTOPHER GADDY (2389) (423) 764-6151	Administrator: Christopher Alexander Gaddy <i>Owner Information:</i> BRISTOL HELATHCARE INVESTORS, LLC 485 CENTRAL AVENUE NE CLEVELAND, TN 37311 (423) 478-5953	<i>Facility License</i> <i>Number:</i> 00000260 <i>Status:</i> Licensed <i>Number of Beds:</i> 0120 <i>Date of Last</i> <i>Survey:</i> 09/12/2012 <i>Accreditation Expires:</i> <i>Date of Original</i> <i>Licensure:</i> 07/01/1992 <i>Date of Expiration:</i> 05/07/2013 <i>This Facility is Managed By:</i> HEALTH SERVICES MANAGEMENT CLEVELAND TN <i>Facility License</i> <i>Number:</i> 00000261 <i>Status:</i> Licensed <i>Number of Beds:</i> 0180 <i>Date of Last</i> <i>Survey:</i> 11/09/2011 <i>Accreditation Expires:</i> <i>Date of Original</i> <i>Licensure:</i> 07/01/1992 <i>Date of Expiration:</i> 05/12/2013 <i>This Facility is Managed By:</i> KINGSPORT NH MANAGEMENT, LLC KINGSPORT TN <i>Facility License</i> <i>Number:</i> 00000263 <i>Status:</i> Licensed <i>Number of Beds:</i> 0165
2.	BROOKHAVEN MANOR 2035 STONEBROOK PLACE KINGSPORT , TN 37660 <i>Attn:</i> JONATHAN S. HICKS (1771) (423) 246-8934	Administrator: Jonathan S. Hicks <i>Owner Information:</i> KINGSPORT NH OPERATIONS, LLC 2035 STONEBROOK PLACE KINGSPORT, TN 37660 (423) 246-8934	
3.		Administrator: Karen Lee Turner	

GREYSTONE HEALTH CARE
CENTER
181 DUNLAP ROAD
P.O. BOX 1133 TCAS
BLOUNTVILLE, TN 37617
Attn: KAREN LEE TURNER
(2764)
(423) 323-7112

Owner Information:
BLOUNTS OPERATOR, LLC
7400 NEW LAGRANGE ROAD
SUITE 100
LOUISVILLE, KY 40222
(502) 429-8062

*Date of Last
Survey:* 07/20/2011
Accreditation Expires:
*Date of Original
Licensure:* 07/01/1992
Date of Expiration: 05/19/2013

This Facility is Managed By:
NORTHPOINT REGIONAL,
LLC
SUITE 402 LOUISVILLE KY

*Facility License
Number:* 00000264
Status: Licensed
Number of Beds: 0204

4.
HOLSTON MANOR
3641 MEMORIAL BLVD.
KINGSPORT, TN 37664
Attn: RICHARD ERVIN (1713)
(423) 246-2411

Administrator: Richard Ervin
Owner Information:
HOLSTON NH OPERATIONS,
LLC
3641 MEMORIAL BLVD.
KINGSPORT, TN 37664
(423) 246-2411

*Date of Last
Survey:* 03/28/2012
Accreditation Expires:
*Date of Original
Licensure:* 07/01/1992
Date of Expiration: 04/14/2013

This Facility is Managed By:
EPIC MGT. LLC
KERNSVILLE NC

5.
INDIAN PATH MEDICAL
CENTER TRANSITIONAL
CARE UNIT
2000 BROOKSIDE DRIVE
KINGSPORT, TN 37660
Attn: MONTY MCLAURIN
(423) 857-7640

Administrator: MONTY
MCLAURIN
Owner Information:
MOUNTAIN STATES HEALTH
ALLIANCE, INC.
303 MED TECH PARKWAY
SUITE 300
JOHNSON CITY, TN 37604
(423) 431-6111

*Facility License
Number:* 00000336
Status: Licensed
Number of Beds: 0022
*Date of Last
Survey:* 07/28/2011
Accreditation Expires:
*Date of Original
Licensure:* 07/27/1995
Date of Expiration: 12/09/2013

*Facility License
Number:* 00000262
Status: Licensed
Number of Beds: 0130

6.
THE CAMBRIDGE HOUSE
250 BELLEBROOK ROAD
BRISTOL, TN 37620
Attn: SUZANNE RICH
(423) 968-4123

Administrator: SUZANNE RICH
Owner Information:
HP/CAMBRIDGE HOUSE, INC
5895 WINDWARD PARKWAY
ALPHARETTA, GA 30005
(423) 968-4123

*Date of Last
Survey:* 05/18/2011
Accreditation Expires:
*Date of Original
Licensure:* 07/01/1992
Date of Expiration: 06/23/2013

This Facility is Managed By:
ALTA CARE COMPANY
ALPHARETTA GA

Facility License

7.

THE WEXFORD HOUSE
2421 JOHN B. DENNIS HWY.
KINGSPORT , TN 37660
Attn: KATHY GREEN
(423) 288-3988

Administrator: KATHY GREEN
Owner Information:
RHA/SULLIVAN, INC
3060 PEACHTREE RD. NW
STE 900
ATLANTA, GA 30305
(404) 364-2900

Number: 00000265
Status: Licensed
Number of Beds: 0174
Date of Last
Survey: 02/29/2012
Accreditation Expires:
Date of Original
Licensure: 07/01/1992
Date of Expiration: 05/17/2013

**Sullivan County Nursing Homes Occupancy
2008 - 2011**

	NURSING HOMES	2012 Licensed Beds	2008 Occupancy	2009 Occupancy	2010 Occupancy	2011 Provisional. Occ.
1	Bristol Nursing Home*	120	90.6%	77.8%	81.9%	81.7%
2	Brookhaven Manor*	180	92.7%	91.0%	88.0%	87.7%
3	Greystone Health Care Center*	165	77.9%	77.2%	84.5%	80.0%
4	Holston Manor	204	90.6%	95.0%	90.4%	129.5%
5	Indian Path Medical Center Transitional Care	22	78.3%	71.7%	72.9%	77.6%
6	The Cambridge House	130	90.8%	94.6%	94.4%	N/A
7	The Wexford House	174	86.8%	94.6%	95.5%	95.5%
	Total	995	87.9%	83.9%	89.0%	87.0%

* In 2009, Bristol Nursing Home reported data from 9/1/09 - 12/31/09

In 2010, Brookhaven reported 178 beds in the JAR; however, occupancy is computed for 180 licensed beds.

On 7/1/11 Greystone delicensed 5 beds for a facility total of 165 licensed beds

Cambridge House and Holston Manor are not included in the 2011 Total Occupancy

Source: 2009, 2010, 2011 JAR Reports, Schedule E Beds

2009, 2010, 2011 JAR Reports, Schedule F Utilization - Part 2, Resident Days of Care

2008 Summary Reports of Tennessee Nursing Home Data

Section C – General Criteria – I.A. 4

Service Area JAR Report

**Sullivan County
Private and Semi-private Rooms**

	Nursing Homes	Beds Set Up and Staffed	# of Pvt Rooms	# of Semi-Pvt Rooms	# of Beds In Ward
1	Bristol Nursing Home	120	4	104	12
2	Holston Manor	204	5	196	3
3	Greystone Health Care Center	165	7	158	0
4	Brookhaven Manor	180	0	180	0
5	The Cambridge House	130	N/A	N/A	N/A
6	The Wexford House	174	6	168	0
7	Indian Path Medical Center - TCU	22	22	0	0
	Total	995	44	806	15

Source: 2011 TN JAR Summary Reports Schedule E - Beds

**Sullivan County Nursing Homes
2008**

	NURSING HOMES	Licensed Beds	SNF Beds - Medicare	SNF/NF Beds Dually Certified	NF Beds - Medicaid	Licensed Only Beds - Non Certified	SNF Medicare/ Level II ADC	NF - ADC (Medicaid/ Level I Only)	Licensed Occupancy
1	Bristol Nursing Home	120	0	0	120	0	0	50	90.6%
2	Holston Manor	204	0	204	0	0	28	127	90.6%
3	Greystone Health Care Center	170	0	81	89	0	12	93	77.9%
4	Brookhaven Manor	180	0	180	0	0	20	124	92.7%
5	The Cambridge House	130	0	38	0	92	18	77	90.8%
6	The Wexford House	174	0	174	0	0	19	104	86.8%
7	Indian Path Medical Center - TCU	22	0	22	0	0	16	0	78.3%

Source: 2008 TN JAR Summary Reports, Schedule E - Beds
2008 JAR Reports, Schedule F Utilizations - Part 2, Resident Days of Care

Sullivan County Nursing Homes
2009

	NURSING HOMES	Licensed Beds	SNF Beds - Medicare	SNF/NF Beds Dually Certified	NF Beds - Medicaid	Licensed Only Beds - Non Certified	SNF Medicare/ Level II ADC	NF - ADC (Medicaid/ Level I Only)	Licensed Occupancy
1	Bristol Nursing Home*	120	0	0	120	0	0	90	77.8%
2	Holston Manor	204	0	204	0	0	27	133	95.0%
3	Greystone Health Care Center	170	0	81	89	0	14	104	77.2%
4	Brookhaven Manor	180	0	180	0	0	19	128	91.0%
5	The Cambridge House	130	0	130	0	0	17	86	94.6%
6	The Wexford House	174	0	174	0	0	20	107	94.6%
7	Indian Path Medical Center - TCU	22	0	22	0	0	12	0	71.7%

Sources: 2009 TN JAR Summary Reports, Schedule E - Beds
2009 JAR Reports, Schedule F Utilizations - Part 2, Resident Days of Care

* Bristol Nursing Home reported data from 9/1/2009 - 12/31/2009

**Sullivan County Nursing Homes
2010**

NURSING HOMES		Licensed Beds	SNF Beds - Medicare	SNF/NF Beds Dually Certified	NF Beds - Medicaid	Licensed Only Beds - Non Certified	SNF Medicare/ Level II ADC	NF - ADC (Medicaid/ Level I Only)	Licensed Occupancy
1	Bristol Nursing Home	120	0	120	0	0	2	90	81.9%
2	Holston Manor	204	0	204	0	0	24	139	90.4%
3	Greystone Health Care Center	170	0	81	89	0	17	108	84.5%
4	Brookhaven Manor*	178	0	178	0	0	23	118	88.0%
5	The Cambridge House	130	0	130	0	0	21	87	94.4%
6	The Wexford House	174	0	174	0	0	20	114	95.5%
7	Indian Path Medical Center - TCU	22	0	22	0	0	11	0	72.9%

Source: 2010 TN JAR Summary Reports, Schedule E - Beds
2010 JAR Reports, Schedule F Utilizations - Part 2, Resident Days of Care

*Brookhaven reports 178 licensed beds; however, according to TN Department of Health, the facility is licensed for 180 beds.

**Sullivan County Nursing Homes
2011 - Provisional**

NURSING HOMES		Licensed Beds	SNF Beds - Medicare	SNF/NF Beds Dually Certified	NF Beds - Medicaid	Licensed Only Beds - Non Certified	SNF Medicare/ Level II ADC	NF - ADC (Medicaid/ Level I Only)	Licensed Occupancy
1	Bristol Nursing Home	120	0	120	0	0	13	233	81.7%
2	Holston Manor	204	0	204	0	0	28	206	129.5%
3	Greystone Health Care Center	165	0	165	0	0	15	100	80.0%
4	Brookhaven Manor	180	0	180	0	0	21	122	87.7%
5	The Cambridge House	130	Information Not Available						
6	The Wexford House	174	0	174	0	0	26	107	95.5%
7	Indian Path Medical Center - TCU	22	0	22	0	0	16	0	77.6%

Source: 2011 TN JAR Summary Reports, Schedule E - Beds
2011 JAR Reports, Schedule F Utilizations - Part 2, Resident Days of Care

Section C – General Criteria – 2B

**Occupancy and Size Standards – Survey Chart for Sullivan County
Nursing Homes**

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**Sullivan County Nursing Facilities State Survey Results by
Number of Deficiencies**

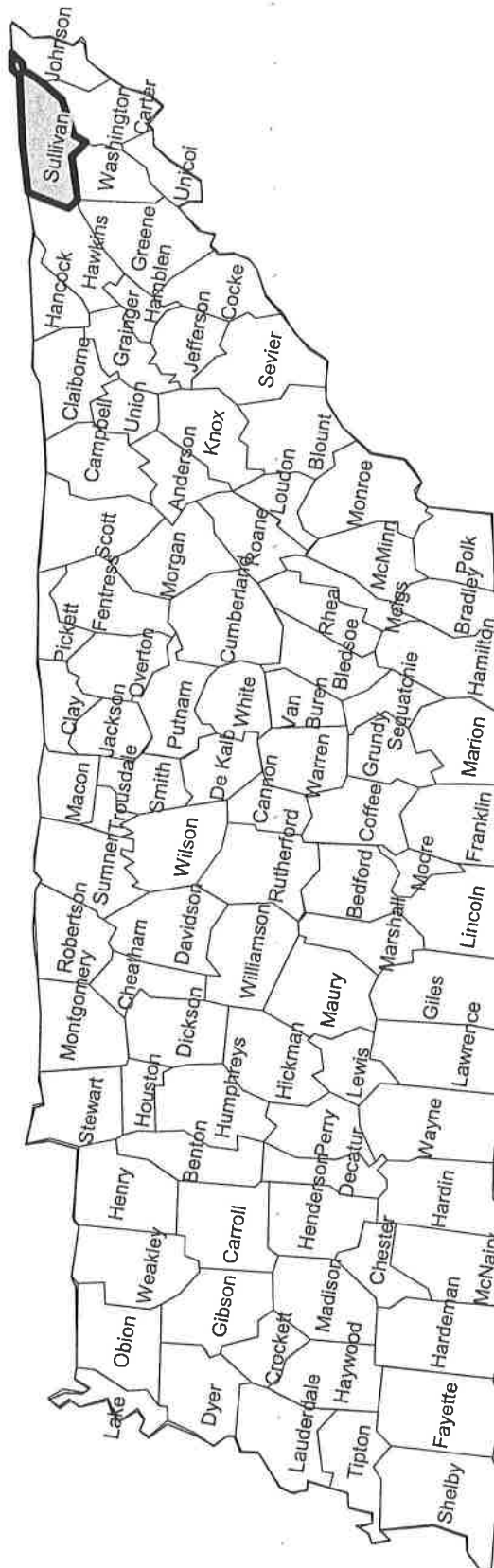
Facility	Survey Date	Number of Health Deficiencies	Average Number of Hlth Deficiencies in TN	Difference in Avg Number of Hlth Deficiencies in TN	Average Number of Hlth Deficiencies in US	Difference in Avg Number of Hlth Deficiencies in US
Bristol Nursing Home*	9/12/2012	22	7.3	15	7.5	15
	3/31/2012	27	5.5	22	7.3	20
	12/2/2010	3	4.8	(2)	7.4	(4)
	10/22/2009	7	5	2	8	(1)
Brookhaven Manor	11/9/2011	13	7.3	6	7.5	6
	9/1/2010	5	5.5	(1)	7.3	(2)
	7/29/2009	3	4.8	(2)	7.4	(4)
	6/4/2008	15	5	10	8	7
Cambridge House	5/28/2011	3	7.3	(4)	7.5	(5)
	3/10/2010	7	5.5	2	7.3	(0)
	1/14/2009	6	4.8	1	7.4	(1)
	12/13/2007	5	5	0	8	(3)
Greystone Health Care Center	7/20/2011	9	7.3	2	7.5	2
	6/30/2010	2	5.5	(4)	7.3	(5)
	4/28/2009	5	4.8	0	7.4	(2)
	3/5/2008	8	5	3	8	0
Holston Manor	3/28/2012	11	7.3	4	7.5	4
	10/27/2010	5	5.5	(1)	7.3	(2)
	9/16/2009	11	4.8	6	7.4	4
	7/30/2008	7	5	2	8	(1)
Indian Path Medical Center - TCU	7/28/2011	1	7.3	(6)	7.5	(7)
	6/8/2010	0	5.5	(6)	7.3	(7)
	5/27/2009	2	4.8	(3)	7.4	(5)
	4/22/2008	3	5	(2)	8	(5)
Wexford House	2/29/2012	12	7.3	5	7.5	5
	12/16/2010	9	5.5	4	7.3	2
	10/28/2009	3	4.8	(2)	7.4	(4)
	9/25/2008	12	5	7	8	4

* SFF Facility: If a nursing home has a recent history of persistent poor quality of care, as indicated by the findings of state or Federal inspection teams, it is considered a Special Focus Facility (SFF).

Source: Medicare web site - Nursing Home Compare

Section C – General Criteria - 3

Service Area Map



Section C – General Criteria – 4A

Demographics of the Population Served

Population Projections,
Tennessee Counties and the State,
2010-2020

COUNTY- Sullivan
RACE/SEX- Total

AGE	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
0 to 4	8,008	8,052	8,097	8,144	8,191	8,235	8,288	8,339	8,393	8,443	8,497
5 to 9	8,766	8,785	8,803	8,822	8,838	8,857	8,902	8,943	8,990	9,037	9,084
10 to 14	8,918	8,956	8,990	9,027	9,067	9,106	9,122	9,136	9,148	9,163	9,178
15 to 19	9,801	9,701	9,600	9,501	9,401	9,306	9,344	9,379	9,417	9,457	9,496
20 to 24	8,718	8,753	8,792	8,829	8,865	8,903	8,807	8,715	8,624	8,535	8,446
25 to 29	8,452	8,531	8,612	8,696	8,779	8,868	8,904	8,938	8,973	9,008	9,044
30 to 34	8,073	8,171	8,271	8,374	8,482	8,590	8,661	8,735	8,810	8,889	8,970
35 to 39	9,896	9,521	9,157	8,806	8,471	8,150	8,244	8,338	8,437	8,538	8,641
40 to 44	10,532	10,406	10,282	10,157	10,040	9,921	9,544	9,177	8,825	8,486	8,163
45 to 49	11,724	11,510	11,300	11,092	10,891	10,692	10,564	10,437	10,314	10,192	10,072
50 to 54	11,868	11,811	11,750	11,694	11,639	11,584	11,374	11,164	10,959	10,761	10,565
55 to 59	11,126	11,178	11,234	11,286	11,344	11,398	11,343	11,290	11,235	11,182	11,130
60 to 64	10,388	10,420	10,453	10,488	10,525	10,564	10,619	10,672	10,728	10,782	10,838
65 to 69	8,589	8,782	8,968	9,160	9,355	9,557	9,593	9,630	9,668	9,710	9,752
70 to 74	6,564	6,755	6,953	7,155	7,365	7,580	7,750	7,922	8,101	8,284	8,471
75 to 79	5,000	5,093	5,184	5,280	5,378	5,478	5,647	5,824	6,004	6,192	6,382
80 to 84	3,903	3,879	3,857	3,833	3,811	3,789	3,866	3,948	4,030	4,117	4,203
85 plus	3,760	3,851	3,947	4,043	4,141	4,242	4,300	4,359	4,421	4,479	4,543

ALL AGES 154,096 154,155 154,250 154,387 154,583 154,820 154,872 154,946 155,077 155,255 155,475

COUNTY- Sullivan
RACE/SEX- White Male

AGE	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
0 to 4	3,958	3,980	4,002	4,026	4,048	4,070	4,095	4,120	4,146	4,171	4,196
5 to 9	4,342	4,352	4,362	4,372	4,381	4,391	4,413	4,434	4,457	4,481	4,505
10 to 14	4,396	4,418	4,438	4,459	4,482	4,504	4,512	4,520	4,527	4,535	4,543
15 to 19	4,853	4,800	4,747	4,694	4,641	4,589	4,610	4,631	4,652	4,674	4,695
20 to 24	4,215	4,231	4,248	4,265	4,281	4,298	4,250	4,203	4,157	4,111	4,065
25 to 29	3,964	4,018	4,074	4,130	4,186	4,244	4,259	4,273	4,288	4,302	4,317
30 to 34	3,825	3,860	3,893	3,929	3,965	4,001	4,053	4,105	4,158	4,212	4,266
35 to 39	4,730	4,537	4,351	4,173	4,002	3,840	3,872	3,903	3,936	3,969	4,002
40 to 44	5,072	5,005	4,939	4,872	4,808	4,743	4,549	4,360	4,180	4,007	3,843
45 to 49	5,562	5,471	5,383	5,295	5,209	5,125	5,056	4,988	4,921	4,854	4,788
50 to 54	5,678	5,635	5,591	5,548	5,506	5,465	5,377	5,290	5,202	5,119	5,036
55 to 59	5,157	5,206	5,257	5,308	5,359	5,410	5,370	5,331	5,290	5,249	5,211
60 to 64	4,813	4,814	4,814	4,815	4,815	4,816	4,865	4,914	4,964	5,013	5,064
65 to 69	3,944	4,015	4,087	4,161	4,236	4,312	4,316	4,320	4,324	4,328	4,332
70 to 74	2,923	3,009	3,098	3,189	3,283	3,380	3,446	3,513	3,582	3,652	3,723
75 to 79	2,035	2,090	2,145	2,202	2,261	2,321	2,395	2,473	2,552	2,635	2,719
80 to 84	1,397	1,402	1,407	1,411	1,416	1,421	1,464	1,509	1,555	1,603	1,652
85 plus	1,060	1,087	1,116	1,144	1,174	1,204	1,228	1,251	1,276	1,300	1,326

ALL AGES 71,924 71,930 71,952 71,993 72,053 72,134 72,130 72,138 72,167 72,215 72,283

Source: Tennessee Department of Health, Office of Policy, Planning and Assessment, Division of Health Statistics

2008 Revision (2/08)



A detailed map of Sullivan County, Tennessee, and its surrounding regions. Sullivan County is highlighted in a dark red color. The map shows the state boundaries between Virginia to the north, Tennessee in the center, and North Carolina to the south. Major cities like Kingsport, Bristol, Johnson City, and Elizabethton are marked. The map includes a network of roads, with interstate highways (I-75, I-81, I-26) and state routes (US-11, US-421, etc.) clearly labeled. County names such as Scott, Washington, Hawkins, Johnson, Greene, Carter, Watauga, and Avery are also visible. A scale bar in the bottom left corner indicates distances in miles (0 to 7.5) and kilometers (0 to 10).

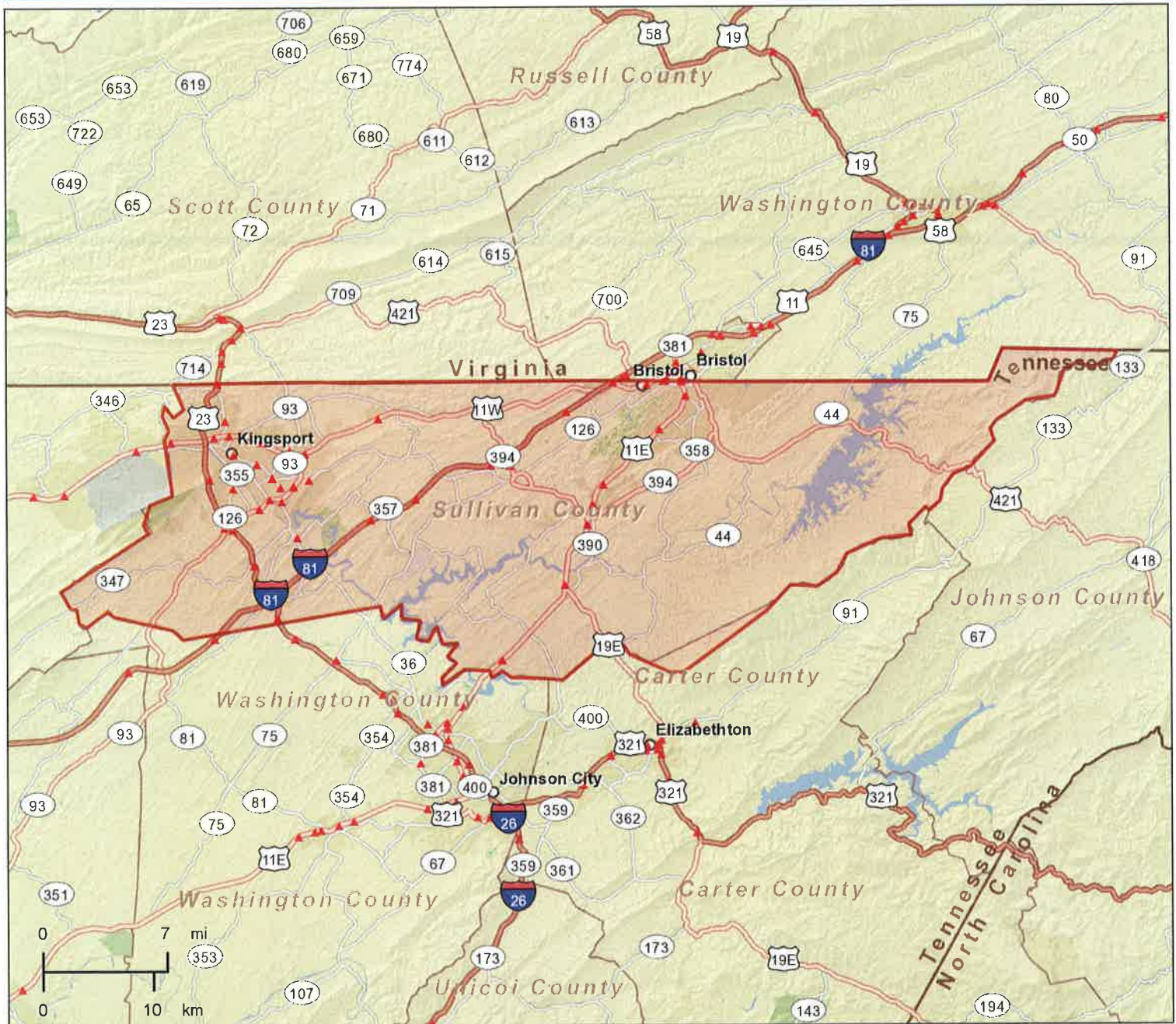


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Traffic Count Map

Sullivan County, TN
47163 (Sullivan County)
Geography: Counties



Average Daily Traffic Volume
▲ Up to 6,000 vehicles per day
▲ 6,001 - 15,000
▲ 15,001 - 30,000
▲ 30,001 - 50,000
▲ 50,001 - 100,000
▲ More than 100,000 per day



Source: ©2012 Market Planning Solutions, Inc.

November 05, 2012



Age 50+ Profile

Sullivan County, TN
Sullivan County, TN (47163)
Geography: County

Demographic Summary				2010-2015	2010-2015
	Census 2000	2010	2015	Change	Annual Rate
Total Population	153,048	156,058	156,772	714	0.09%
Population 50+	53,409	62,992	67,324	4,332	1.34%
Median Age	40.1	43.6	45.0	1.4	0.63%
Households	63,556	67,135	68,052	917	0.27%
% Householders 55+	42.0%	48.0%	51.6%	3.6	1.46%
Owner/Renter Ratio	3.1	3.1	3.1	0.0	0.00%
Median Home Value	\$82,621	\$113,599	\$134,665	\$21,066	3.46%
Average Home Value	\$99,822	\$139,760	\$165,504	\$25,743	3.44%
Median Household Income	\$33,610	\$42,464	\$49,447	\$6,983	3.09%
Median Household Income for Householder 55+	\$27,546	\$36,801	\$43,376	\$6,574	3.34%

Population by Age and Sex						
Male Population	Census 2000		2010		2015	
	Number	% of 50+	Number	% of 50+	Number	% of 50+
Total (50+)	23,920	100.0%	28,748	100.0%	31,027	100.0%
50-54	5,464	22.8%	5,945	20.7%	5,746	18.5%
55-59	4,787	20.0%	5,573	19.4%	5,823	18.8%
60-64	3,875	16.2%	5,122	17.8%	5,418	17.5%
65-69	3,132	13.1%	4,188	14.6%	4,874	15.7%
70-74	2,683	11.2%	3,011	10.5%	3,773	12.2%
75-79	2,096	8.8%	2,162	7.5%	2,507	8.1%
80-84	1,197	5.0%	1,545	5.4%	1,585	5.1%
85+	686	2.9%	1,202	4.2%	1,301	4.2%

Female Population	Census 2000		2010		2015	
	Number	% of 50+	Number	% of 50+	Number	% of 50+
Total (50+)	29,489	100.0%	34,244	100.0%	36,297	100.0%
50-54	5,777	19.6%	6,136	17.9%	5,968	16.4%
55-59	4,989	16.9%	6,073	17.7%	6,169	17.0%
60-64	4,191	14.2%	5,640	16.5%	6,032	16.6%
65-69	3,787	12.8%	4,647	13.6%	5,565	15.3%
70-74	3,675	12.5%	3,608	10.5%	4,323	11.9%
75-79	3,247	11.0%	3,046	8.9%	3,231	8.9%
80-84	2,022	6.9%	2,561	7.5%	2,369	6.5%
85+	1,801	6.1%	2,533	7.4%	2,640	7.3%

Total Population	Census 2000		2010		2015	
	Number	% of Total Pop	Number	% of Total Pop	Number	% of Total Pop
Total(50+)	53,409	34.9%	62,992	40.4%	67,324	42.9%
50-54	11,241	7.3%	12,081	7.7%	11,714	7.5%
55-59	9,776	6.4%	11,646	7.5%	11,992	7.6%
60-64	8,066	5.3%	10,762	6.9%	11,450	7.3%
65-69	6,919	4.5%	8,835	5.7%	10,439	6.7%
70-74	6,358	4.2%	6,619	4.2%	8,096	5.2%
75-79	5,343	3.5%	5,208	3.3%	5,738	3.7%
80-84	3,219	2.1%	4,106	2.6%	3,954	2.5%
85+	2,487	1.6%	3,735	2.4%	3,941	2.5%
65+	24,326	15.9%	28,503	18.3%	32,168	20.5%
75+	11,049	7.2%	13,049	8.4%	13,633	8.7%

Data Note: Detail may not sum to totals due to rounding.

Source: U.S Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.

November 05, 2012

Made with Esri Business Analyst



Age 50+ Profile

Sullivan County, TN
Sullivan County, TN (47163)
Geography: County

2000 Households by Income and Age of Householder 55+

	55-64	65-74	75+	Total
Total	10,639	8,528	7,642	26,809
<\$15,000	2,185	2,261	3,202	7,648
\$15,000-\$24,999	1,491	1,515	1,626	4,632
\$25,000-\$34,999	1,487	1,536	917	3,940
\$35,000-\$49,999	2,003	1,269	786	4,058
\$50,000-\$74,999	1,663	1,115	571	3,349
\$75,000-\$99,999	813	370	250	1,433
\$100,000-\$149,999	633	274	125	1,032
\$150,000-\$199,999	156	67	71	294
\$200,000+	208	121	94	423
Median Household Income	\$35,959	\$27,974	\$18,258	\$27,546
Average Household Income	\$48,792	\$40,206	\$34,634	\$42,025

2010 Households by Income and Age of Householder 55+

	55-64	65-74	75+	Total
Total	13,356	9,911	8,958	32,225
<\$15,000	1,966	1,898	2,946	6,810
\$15,000-\$24,999	1,436	1,389	1,489	4,314
\$25,000-\$34,999	1,429	1,600	1,035	4,064
\$35,000-\$49,999	2,701	1,749	1,127	5,577
\$50,000-\$74,999	2,743	1,935	1,175	5,853
\$75,000-\$99,999	1,462	645	621	2,728
\$100,000-\$149,999	1,083	451	293	1,827
\$150,000-\$199,999	229	89	160	478
\$200,000+	307	155	112	574
Median Household Income	\$43,989	\$35,403	\$25,318	\$36,801
Average Household Income	\$57,966	\$47,011	\$40,564	\$49,759

2015 Households by Income and Age of Householder 55+

	55-64	65-74	75+	Total
Total	13,922	11,842	9,349	35,113
<\$15,000	1,668	1,918	2,705	6,291
\$15,000-\$24,999	1,281	1,405	1,374	4,060
\$25,000-\$34,999	1,215	1,651	952	3,818
\$35,000-\$49,999	2,424	1,829	1,071	5,324
\$50,000-\$74,999	4,030	3,290	1,951	9,271
\$75,000-\$99,999	1,343	744	617	2,704
\$100,000-\$149,999	1,300	672	387	2,359
\$150,000-\$199,999	280	130	175	585
\$200,000+	381	203	117	701
Median Household Income	\$51,345	\$41,523	\$30,612	\$43,376
Average Household Income	\$63,008	\$51,962	\$44,292	\$54,299

Source: U.S Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.

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Age 50+ Profile

Sullivan County, TN
Sullivan County, TN (47163)
Geography: County

2010 Households by Income and Age of Householder 50+

	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85+
Total	6,843	6,961	6,395	5,459	4,452	3,717	2,638	2,603
<\$15,000	594	1,020	946	1,032	866	1,183	892	871
\$15,000-\$24,999	538	744	692	765	624	601	453	435
\$25,000-\$34,999	630	742	687	878	722	420	310	305
\$35,000-\$49,999	1,304	1,404	1,297	955	794	470	333	324
\$50,000-\$74,999	1,710	1,418	1,325	1,065	870	490	341	344
\$75,000-\$99,999	1,060	766	696	359	286	280	172	169
\$100,000-\$149,999	700	564	519	254	197	135	74	84
\$150,000-\$199,999	149	124	105	54	35	80	40	40
\$200,000-\$249,999	75	78	58	48	30	32	11	14
\$250,000-\$499,999	66	81	62	37	23	18	9	12
\$500,000+	17	20	8	12	5	8	3	5

Median HH Income	\$53,437	\$44,165	\$43,799	\$35,592	\$35,179	\$26,387	\$24,168	\$24,848
Average HH Income	\$66,770	\$59,104	\$56,726	\$48,319	\$45,407	\$43,039	\$38,190	\$39,437

Percent Distribution

	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85+
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<\$15,000	8.7%	14.7%	14.8%	18.9%	19.5%	31.8%	33.8%	33.5%
\$15,000-\$24,999	7.9%	10.7%	10.8%	14.0%	14.0%	16.2%	17.2%	16.7%
\$25,000-\$34,999	9.2%	10.7%	10.7%	16.1%	16.2%	11.3%	11.8%	11.7%
\$35,000-\$49,999	19.1%	20.2%	20.3%	17.5%	17.8%	12.6%	12.6%	12.4%
\$50,000-\$74,999	25.0%	20.4%	20.7%	19.5%	19.5%	13.2%	12.9%	13.2%
\$75,000-\$99,999	15.5%	11.0%	10.9%	6.6%	6.4%	7.5%	6.5%	6.5%
\$100,000-\$149,999	10.2%	8.1%	8.1%	4.7%	4.4%	3.6%	2.8%	3.2%
\$150,000-\$199,999	2.2%	1.8%	1.6%	1.0%	0.8%	2.2%	1.5%	1.5%
\$200,000-\$249,999	1.1%	1.1%	0.9%	0.9%	0.7%	0.9%	0.4%	0.5%
\$250,000-\$499,999	1.0%	1.2%	1.0%	0.7%	0.5%	0.5%	0.3%	0.5%
\$500,000+	0.2%	0.3%	0.1%	0.2%	0.1%	0.2%	0.1%	0.2%

Data Note: Income reported for July 1, 2010 represents annual income for the preceding year, expressed in current (2008) dollars, including an adjustment for inflation. In 2000, the Census Bureau reported age by income data for incomes up to \$200,000+ by ten-year age groups up to 75+ years. ESRI extended age by income data to income up to \$500,000+ by five-year age groups up to 85+ years.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.

November 05, 2012



Age 50+ Profile

Sullivan County, TN
Sullivan County, TN (47163)
Geography: County

2015 Households by Income and Age of Householder 50+

	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85+
Total	6,623	7,126	6,796	6,411	5,431	4,054	2,547	2,748
<\$15,000	456	854	814	1,012	906	1,146	752	807
\$15,000-\$24,999	418	654	627	747	658	585	389	400
\$25,000-\$34,999	497	619	596	906	745	407	263	282
\$35,000-\$49,999	1,036	1,262	1,162	994	835	473	295	303
\$50,000-\$74,999	2,241	2,040	1,990	1,741	1,549	837	535	579
\$75,000-\$99,999	874	693	650	400	344	280	157	180
\$100,000-\$149,999	768	649	651	380	292	175	92	120
\$150,000-\$199,999	164	146	134	86	44	89	42	44
\$200,000-\$249,999	77	86	73	65	25	34	10	14
\$250,000-\$499,999	78	102	89	65	27	20	10	14
\$500,000+	14	21	10	15	6	8	2	5

Median HH Income	\$56,891	\$51,240	\$51,453	\$41,912	\$41,067	\$31,721	\$29,362	\$30,260
Average HH Income	\$70,408	\$63,762	\$62,217	\$54,555	\$48,902	\$46,275	\$41,499	\$43,954

Percent Distribution

	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85+
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
<\$15,000	6.9%	12.0%	12.0%	15.8%	16.7%	28.3%	29.5%	29.4%
\$15,000-\$24,999	6.3%	9.2%	9.2%	11.7%	12.1%	14.4%	15.3%	14.6%
\$25,000-\$34,999	7.5%	8.7%	8.8%	14.1%	13.7%	10.0%	10.3%	10.3%
\$35,000-\$49,999	15.6%	17.7%	17.1%	15.5%	15.4%	11.7%	11.6%	11.0%
\$50,000-\$74,999	33.8%	28.6%	29.3%	27.2%	28.5%	20.6%	21.0%	21.1%
\$75,000-\$99,999	13.2%	9.7%	9.6%	6.2%	6.3%	6.9%	6.2%	6.6%
\$100,000-\$149,999	11.6%	9.1%	9.6%	5.9%	5.4%	4.3%	3.6%	4.4%
\$150,000-\$199,999	2.5%	2.0%	2.0%	1.3%	0.8%	2.2%	1.6%	1.6%
\$200,000-\$249,999	1.2%	1.2%	1.1%	1.0%	0.5%	0.8%	0.4%	0.5%
\$250,000-\$499,999	1.2%	1.4%	1.3%	1.0%	0.5%	0.5%	0.4%	0.5%
\$500,000+	0.2%	0.3%	0.1%	0.2%	0.1%	0.2%	0.1%	0.2%

Data Note: Income reported for July 1, 2015 represents annual income for the preceding year, expressed in current (2013) dollars, including an adjustment for inflation.

Source: U.S Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.

November 05, 2012



Age 50+ Profile

Sullivan County, TN
Sullivan County, TN (47163)
Geography: County

2010 Population 50+ by Race

	Number	Percent	% Pop
Total	62,992	100.0%	40.4%
White Alone	61,183	97.1%	41.0%
Black Alone	999	1.6%	28.3%
American Indian Alone	85	0.1%	21.1%
Asian Alone	234	0.4%	25.2%
Pacific Islander Alone	5	0.0%	20.8%
Some Other Race Alone	64	0.1%	12.2%
Two or More Races	422	0.7%	26.9%
Hispanic Origin (Any Race)	450	0.7%	22.5%

Census 2000 Group Quarters Population 65+ by Type

	Number	Percent	% Pop
Total	1,157	100.0%	41.9%
Institutionalized	1,068	92.3%	64.5%
Correctional Institutions	0	0.0%	0.0%
Nursing Homes	1,068	92.3%	94.3%
Other Institutions	0	0.0%	0.0%
NonInstitutionalized	89	7.7%	8.0%

Census 2000 Total Disabilities Tallied for Population 65+

	Number	Percent
Total	23,268	100%
Sensory Disability	4,231	18.2%
Physical Disability	7,587	32.6%
Mental Disability	3,147	13.5%
Self-Care Disability	2,545	10.9%
Go-Outside-Home Disability	5,758	24.7%

Census 2000 Population 65+ by Household Type and Relationship to Householder

	Number	Percent	% Pop
Total	24,326	100%	15.9%
In Family Households	15,784	64.9%	12.2%
Householder	8,797	36.2%	19.6%
Spouse	5,706	23.5%	15.7%
Parent	581	2.4%	67.6%
Other Relatives	648	2.7%	1.4%
Nonrelatives	52	0.2%	2.8%
In Nonfamily Households	7,385	30.4%	34.9%
Male Householder	1,597	6.6%	20.5%
Living Alone	1,495	6.1%	22.7%
Not Living Alone	102	0.4%	8.5%
Female Householder	5,653	23.2%	51.5%
Living Alone	5,576	22.9%	54.8%
Not Living Alone	77	0.3%	9.6%
Nonrelatives	135	0.6%	5.6%
In Group Quarters	1,157	4.8%	41.9%
Institutionalized	1,068	4.4%	64.5%
Noninstitutionalized	89	0.4%	8.0%

Data Note: The Base for "% Pop" is specific to the row.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.

November 05, 2012



Age 50+ Profile

Sullivan County, TN
Sullivan County, TN (47163)
Geography: County

Census 2000 Households with Population 60+ by Size and Type			
	Number	Percent	% Total HHs
Total	22,293	100.0%	35.1%
1 Person Households	8,378	37.6%	13.2%
2+ Person Households	13,915	62.4%	21.9%
Family	13,588	61.0%	21.4%
Nonfamily	327	1.5%	0.5%

Census 2000 Households with Population 65+ by Size and Type			
	Number	Percent	% Total HHs
Total	17,266	100.0%	27.2%
1 Person Households	7,071	41.0%	11.1%
2+ Person Households	10,195	59.0%	16.0%
Family	9,977	57.8%	15.7%
Nonfamily	218	1.3%	0.3%

Census 2000 Occupied Housing Units by Age of Householder 55+			
	Number	Percent	% Total HHs
Total	26,666	100.0%	42.0%
Owner Occupied HUs/Householder 55+	22,689	85.1%	35.7%
Householder Age 55-64	9,057	34.0%	14.3%
Householder Age 65-74	7,341	27.5%	11.6%
Householder Age 75-84	5,103	19.1%	8.0%
Householder Age 85+	1,188	4.5%	1.9%
Renter Occupied HUs/Householder 55+	3,977	14.9%	6.3%
Householder Age 55-64	1,562	5.9%	2.5%
Householder Age 65-74	1,187	4.5%	1.9%
Householder Age 75-84	921	3.5%	1.4%
Householder Age 85+	307	1.2%	0.5%

Census 2000 Households by Poverty Status and Age of Householder			Number	Percent
Total			63,602	100.0%
Below Poverty			8,835	13.9%
Households with Income Below Poverty Level/Householder <65			6,432	10.1%
Households with Income Below Poverty Level/Householder 65+			2,403	3.8%
Above Poverty			54,767	86.1%
Households with Income At or Above Poverty Level/Householder <65			41,000	64.5%
Households with Income At or Above Poverty Level/Householder 65+			13,767	21.6%

Census 2000 Average Value of Specified Owner Occupied Housing Units by Householder 55+		
Average Value of Specified Owner Occupied HUs/Householder 55-64		\$115,491
Average Value of Specified Owner Occupied HUs/Householder 65-74		\$102,187
Average Value of Specified Owner Occupied HUs/Householder 75+		\$88,706

Data Note: Specified Owner-occupied Housing Units exclude houses on 10+ acres, mobile homes, units in multiunit buildings, and houses with business or medical office.
Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.

November 05, 2012



Age by Income Profile

Sullivan County, TN
Sullivan County, TN (47163)
Geography: County

				2010-2015	2010-2015		
Summary	Census 2000	2010	2015	Change	Annual Rate		
Population	153,048	156,058	156,772	714	0.09%		
Households	63,556	67,135	68,052	917	0.27%		
Median Age	40.1	43.6	45.0	1.4	0.63%		
Census 2000 Households by Income and Age of Householder							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	2,379	9,395	12,543	12,476	10,639	8,528	7,642
<\$10,000	462	1,022	995	1,033	1,428	1,346	1,837
\$10,000-\$14,999	374	596	639	581	757	915	1,365
\$15,000-\$24,999	709	1,718	1,646	1,370	1,491	1,515	1,626
\$25,000-\$34,999	461	1,830	1,748	1,564	1,487	1,536	917
\$35,000-\$49,999	236	2,128	2,795	2,311	2,003	1,269	786
\$50,000-\$74,999	109	1,489	2,723	2,531	1,663	1,115	571
\$75,000-\$99,999	12	375	1,200	1,613	813	370	250
\$100,000-\$149,999	16	144	516	920	633	274	125
\$150,000-\$199,999	0	42	82	281	156	67	71
\$200,000+	0	51	199	272	208	121	94
Median HH Income	\$19,610	\$32,317	\$41,564	\$45,545	\$35,959	\$27,974	\$18,258
Average HH Income	\$21,999	\$36,981	\$49,769	\$59,808	\$48,792	\$40,206	\$34,634
Percent Distribution							
	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	100%	100%	100%	100%	100%	100%	100%
<\$10,000	19.4%	10.9%	7.9%	8.3%	13.4%	15.8%	24.0%
\$10,000-\$14,999	15.7%	6.3%	5.1%	4.7%	7.1%	10.7%	17.9%
\$15,000-\$24,999	29.8%	18.3%	13.1%	11.0%	14.0%	17.8%	21.3%
\$25,000-\$34,999	19.4%	19.5%	13.9%	12.5%	14.0%	18.0%	12.0%
\$35,000-\$49,999	9.9%	22.7%	22.3%	18.5%	18.8%	14.9%	10.3%
\$50,000-\$74,999	4.6%	15.8%	21.7%	20.3%	15.6%	13.1%	7.5%
\$75,000-\$99,999	0.5%	4.0%	9.6%	12.9%	7.6%	4.3%	3.3%
\$100,000-\$149,999	0.7%	1.5%	4.1%	7.4%	6.0%	3.2%	1.6%
\$150,000-\$199,999	0.0%	0.4%	0.7%	2.3%	1.5%	0.8%	0.9%
\$200,000+	0.0%	0.5%	1.6%	2.2%	2.0%	1.4%	1.2%

Source: U.S. Bureau of the Census, 2000 Census Population and Housing. Esri Forecasts for 2010 and 2015.

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Age by Income Profile

Sullivan County, TN
Sullivan County, TN (47163)
Geography: County

2010 Households by Income and Age of Householder

	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	2,340	7,593	11,550	13,427	13,356	9,911	8,958
<\$15,000	669	1,001	1,002	1,165	1,966	1,898	2,946
\$15,000-\$24,999	516	963	1,085	1,049	1,436	1,389	1,489
\$25,000-\$34,999	346	1,183	1,221	1,246	1,429	1,600	1,035
\$35,000-\$49,999	299	1,918	2,668	2,574	2,701	1,749	1,127
\$50,000-\$74,999	230	1,684	3,143	3,369	2,743	1,935	1,175
\$75,000-\$99,999	119	494	1,410	2,072	1,462	645	621
\$100,000-\$149,999	101	216	683	1,377	1,083	451	293
\$150,000-\$199,999	40	76	123	285	229	89	160
\$200,000-\$249,999	18	36	107	135	136	78	57
\$250,000-\$499,999	2	16	91	126	143	60	39
\$500,000+	0	6	17	29	28	17	16
Median HH Income	\$24,558	\$38,672	\$48,411	\$53,319	\$43,989	\$35,403	\$25,318
Average HH Income	\$37,193	\$45,964	\$58,203	\$66,144	\$57,966	\$47,011	\$40,564

Percent Distribution

	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	100%	100%	100%	100%	100%	100%	100%
<\$15,000	28.6%	13.2%	8.7%	8.7%	14.7%	19.2%	32.9%
\$15,000-\$24,999	22.1%	12.7%	9.4%	7.8%	10.8%	14.0%	16.6%
\$25,000-\$34,999	14.8%	15.6%	10.6%	9.3%	10.7%	16.1%	11.6%
\$35,000-\$49,999	12.8%	25.3%	23.1%	19.2%	20.2%	17.6%	12.6%
\$50,000-\$74,999	9.8%	22.2%	27.2%	25.1%	20.5%	19.5%	13.1%
\$75,000-\$99,999	5.1%	6.5%	12.2%	15.4%	10.9%	6.5%	6.9%
\$100,000-\$149,999	4.3%	2.8%	5.9%	10.3%	8.1%	4.6%	3.3%
\$150,000-\$199,999	1.7%	1.0%	1.1%	2.1%	1.7%	0.9%	1.8%
\$200,000-\$249,999	0.8%	0.5%	0.9%	1.0%	1.0%	0.8%	0.6%
\$250,000-\$499,999	0.1%	0.2%	0.8%	0.9%	1.1%	0.6%	0.4%
\$500,000+	0.0%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%

Data Note: Income reported for July 1, 2010 represents annual income for the preceding year, expressed in current (2008) dollars, including an adjustment for inflation.

Source: U.S. Bureau of the Census, 2000 Census Population and Housing. Esri Forecasts for 2010 and 2015.

November 05, 2012



Age by Income Profile

Sullivan County, TN
Sullivan County, TN (47163)
Geography: County

2015 Households by Income and Age of Householder

	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	2,240	7,394	10,639	12,666	13,922	11,842	9,349
<\$15,000	593	893	730	867	1,668	1,918	2,705
\$15,000-\$24,999	453	775	808	805	1,281	1,405	1,374
\$25,000-\$34,999	313	921	882	952	1,215	1,651	952
\$35,000-\$49,999	272	1,601	2,037	1,973	2,424	1,829	1,071
\$50,000-\$74,999	344	2,312	3,959	4,332	4,030	3,290	1,951
\$75,000-\$99,999	108	468	1,106	1,651	1,343	744	617
\$100,000-\$149,999	106	275	740	1,471	1,300	672	387
\$150,000-\$199,999	35	90	135	306	280	130	175
\$200,000-\$249,999	14	37	114	133	159	90	58
\$250,000-\$499,999	2	17	112	148	191	92	44
\$500,000+	0	5	16	28	31	21	15
Median HH Income	\$26,835	\$44,082	\$53,069	\$56,805	\$51,345	\$41,523	\$30,612
Average HH Income	\$38,990	\$49,628	\$62,612	\$70,110	\$63,008	\$51,962	\$44,292

Percent Distribution

	<25	25-34	35-44	45-54	55-64	65-74	75+
HH Income Base	100%	100%	100%	100%	100%	100%	100%
<\$15,000	26.5%	12.1%	6.9%	6.8%	12.0%	16.2%	28.9%
\$15,000-\$24,999	20.2%	10.5%	7.6%	6.4%	9.2%	11.9%	14.7%
\$25,000-\$34,999	14.0%	12.5%	8.3%	7.5%	8.7%	13.9%	10.2%
\$35,000-\$49,999	12.1%	21.7%	19.1%	15.6%	17.4%	15.4%	11.5%
\$50,000-\$74,999	15.4%	31.3%	37.2%	34.2%	28.9%	27.8%	20.9%
\$75,000-\$99,999	4.8%	6.3%	10.4%	13.0%	9.6%	6.3%	6.6%
\$100,000-\$149,999	4.7%	3.7%	7.0%	11.6%	9.3%	5.7%	4.1%
\$150,000-\$199,999	1.6%	1.2%	1.3%	2.4%	2.0%	1.1%	1.9%
\$200,000-\$249,999	0.6%	0.5%	1.1%	1.1%	1.1%	0.8%	0.6%
\$250,000-\$499,999	0.1%	0.2%	1.1%	1.2%	1.4%	0.8%	0.5%
\$500,000+	0.0%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%

Data Note: Income reported for July 1, 2010 represents annual income for the preceding year, expressed in current (2008) dollars, including an adjustment for inflation.

Source: U.S. Bureau of the Census, 2000 Census Population and Housing. Esri Forecasts for 2010 and 2015.

November 05, 2012



Executive Summary Report

Sullivan County, TN
Sullivan County, TN (47163)
Geography: County

Sullivan County, TN (4716...

Population

1990 Population	143,596
2000 Population	153,048
2010 Population	156,058
2015 Population	156,772
1990-2000 Annual Rate	0.64%
2000-2010 Annual Rate	0.19%
2010-2015 Annual Rate	0.09%
2010 Male Population	48.5%
2010 Female Population	51.5%
2010 Median Age	43.6

In the identified area, the current year population is 156,058. In 2000, the Census count in the area was 153,048. The rate of change since 2000 was 0.19 percent annually. The five-year projection for the population in the area is 156,772, representing a change of 0.09 percent annually from 2010 to 2015. Currently, the population is 48.5 percent male and 51.5 percent female.

Population by Employment

Currently, 89.4 percent of the civilian labor force in the identified area is employed and 10.6 percent are unemployed. In comparison, 89.2 percent of the U.S. civilian labor force is employed, and 10.8 percent are unemployed. In five years the rate of employment in the area will be 91.7 percent of the civilian labor force, and unemployment will be 8.3 percent. The percentage of the U.S. civilian labor force that will be employed in five years is 91.2 percent, and 8.8 percent will be unemployed. In 2000, 57.8 percent of the population aged 16 years or older in the area participated in the labor force, and 0.1 percent were in the Armed Forces.

In the current year, the occupational distribution of the employed population is:

- 56.6 percent in white collar jobs (compared to 61.6 percent of the U.S. employment)
- 17.0 percent in service jobs (compared to 17.3 percent of U.S. employment)
- 26.4 percent in blue collar jobs (compared to 21.1 percent of U.S. employment)

In 2000, 86.1 percent of the area population drove alone to work, and 2.4 percent worked at home. The average travel time to work in 2000 was 21.3 minutes in the area, compared to the U.S average of 25.5 minutes.

Population by Education

In the current year, the educational attainment of the population aged 25 years or older in the area was distributed as follows:

- 16.6 percent had not earned a high school diploma (14.8 percent in the U.S.)
- 35.4 percent were high school graduates only (29.6 percent in the U.S.)
- 7.8 percent had completed an Associate degree (7.7 percent in the U.S.)
- 14.1 percent had a Bachelor's degree (17.7 percent in the U.S.)
- 7.1 percent had earned a Master's/Professional/Doctorate Degree (10.4 percent in the U.S.)

Per Capita Income

1990 Per Capita Income	\$12,725
2000 Per Capita Income	\$19,202
2010 Per Capita Income	\$23,298
2015 Per Capita Income	\$25,233
1990-2000 Annual Rate	4.20%
2000-2010 Annual Rate	1.90%
2010-2015 Annual Rate	1.61%

Households

1990 Households	56,729
2000 Households	63,556
2010 Total Households	67,135
2015 Total Households	68,052
1990-2000 Annual Rate	1.14%
2000-2010 Annual Rate	0.54%
2010-2015 Annual Rate	0.27%
2010 Average Household Size	2.28

The household count in this area has changed from 63,556 in 2000 to 67,135 in the current year, a change of 0.54 percent annually. The five-year projection of households is 68,052, a change of 0.27 percent annually from the current year total. Average household size is currently 2.28, compared to 2.36 in the year 2000. The number of families in the current year is 45,956 in the specified area.

Data Note: Income is expressed in current dollars

Source: U.S. Bureau and Census, 2000 Census of Population and Housing, Esri forecast for 2010 and 2015. Esri converted 1990 Census data into 2000 geography.

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Executive Summary Report

Sullivan County, TN
Sullivan County, TN (47163)
Geography: County

Sullivan County, TN (4716...

Households by Income

Current median household income is \$42,464 in the area, compared to \$54,442 for all U.S. households. Median household income is projected to be \$49,447 in five years. In 2000, median household income was \$33,610, compared to \$25,089 in 1990.

Current average household income is \$53,621 in this area, compared to \$70,173 for all U.S. households. Average household income is projected to be \$57,530 in five years. In 2000, average household income was \$45,546, compared to \$32,124 in 1990.

Current per capita income is \$23,298 in the area, compared to the U.S. per capita income of \$26,739. The per capita income is projected to be \$25,233 in five years. In 2000, the per capita income was \$19,202, compared to \$12,725 in 1990.

Median Household Income

1990 Median Household Income	\$25,089
2000 Median Household Income	\$33,610
2010 Median Household Income	\$42,464
2015 Median Household Income	\$49,447
1990-2000 Annual Rate	2.97%
2000-2010 Annual Rate	2.31%
2010-2015 Annual Rate	3.09%

Average Household Income

1990 Average Household Income	\$32,124
2000 Average Household Income	\$45,546
2010 Average Household Income	\$53,621
2015 Average Household Income	\$57,530
1990-2000 Annual Rate	3.55%
2000-2010 Annual Rate	1.61%
2010-2015 Annual Rate	1.42%

2010 Housing

1990 Total Housing Units	60,623
2000 Total Housing Units	69,052
2010 Total Housing Units	73,991
2015 Total Housing Units	75,435
1990 Owner Occupied Housing Units	42,530
1990 Renter Occupied Housing Units	14,199
1990 Vacant Housing Units	3,894
2000 Owner Occupied Housing Units	48,132
2000 Renter Occupied Housing Units	15,424
2000 Vacant Housing Units	5,496
2010 Owner Occupied Housing Units	50,670
2010 Renter Occupied Housing Units	16,465
2010 Vacant Housing Units	6,856
2015 Owner Occupied Housing Units	51,370
2015 Renter Occupied Housing Units	16,682
2015 Vacant Housing Units	7,383

Currently, 68.5 percent of the 73,991 housing units in the area are owner occupied; 22.3 percent, renter occupied; and 9.3 are vacant. In 2000, there were 69,052 housing units - 69.7 percent owner occupied, 22.3 percent renter occupied, and 8.0 percent vacant. The rate of change in housing units since 2000 is 0.68 percent. Median home value in the area is \$113,599, compared to a median home value of \$157,913 for the U.S. In five years, median value is projected to change by 3.46 percent annually to \$134,665. From 2000 to the current year, median home value change by 3.16 percent annually.

Data Note: Income is expressed in current dollars

Source: U.S. Bureau and Census, 2000 Census of Population and Housing, Esri forecast for 2010 and 2015. Esri converted 1990 Census data into 2000 geography.

November 05, 2012



Market Profile

Sullivan County, TN
Sullivan County, TN (47163)
Geography: County

Sullivan County, TN (47163)

Population Summary

2000 Total Population	153,048
2000 Group Quarters	2,762
2010 Total Population	156,058
2015 Total Population	156,772
2010-2015 Annual Rate	0.09%

Household Summary

2000 Households	63,556
2000 Average Household Size	2.36
2010 Households	67,135
2010 Average Household Size	2.28
2015 Households	68,052
2015 Average Household Size	2.26
2010-2015 Annual Rate	0.27%
2000 Families	44,802
2000 Average Family Size	2.84
2010 Families	45,956
2010 Average Family Size	2.78
2015 Families	46,144
2015 Average Family Size	2.77
2010-2015 Annual Rate	0.08%

Housing Unit Summary

2000 Housing Units	69,052
Owner Occupied Housing Units	69.7%
Renter Occupied Housing Units	22.3%
Vacant Housing Units	8.0%
2010 Housing Units	73,991
Owner Occupied Housing Units	68.5%
Renter Occupied Housing Units	22.3%
Vacant Housing Units	9.3%
2015 Housing Units	75,435
Owner Occupied Housing Units	68.1%
Renter Occupied Housing Units	22.1%
Vacant Housing Units	9.8%

Median Household Income

2000	\$33,610
2010	\$42,464
2015	\$49,447

Median Home Value

2000	\$82,621
2010	\$113,599
2015	\$134,665

Per Capita Income

2000	\$19,202
2010	\$23,298
2015	\$25,233

Median Age

2000	40.1
2010	43.6
2015	45.0

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population. Detail may not sum to totals due to rounding.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.

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Market Profile

Sullivan County, TN
Sullivan County, TN (47163)
Geography: County

Sullivan County, TN (47163)

2000 Households by Income

Household Income Base	63,602
<\$15,000	21.0%
\$15,000 - \$24,999	15.8%
\$25,000 - \$34,999	15.0%
\$35,000 - \$49,999	18.1%
\$50,000 - \$74,999	16.0%
\$75,000 - \$99,999	7.3%
\$100,000 - \$149,999	4.1%
\$150,000 - \$199,999	1.1%
\$200,000+	1.5%
Average Household Income	\$45,546

2010 Households by Income

Household Income Base	67,135
<\$15,000	15.9%
\$15,000 - \$24,999	11.8%
\$25,000 - \$34,999	12.0%
\$35,000 - \$49,999	19.4%
\$50,000 - \$74,999	21.3%
\$75,000 - \$99,999	10.2%
\$100,000 - \$149,999	6.3%
\$150,000 - \$199,999	1.5%
\$200,000+	1.7%
Average Household Income	\$53,621

2015 Households by Income

Household Income Base	68,052
<\$15,000	13.8%
\$15,000 - \$24,999	10.1%
\$25,000 - \$34,999	10.1%
\$35,000 - \$49,999	16.5%
\$50,000 - \$74,999	29.7%
\$75,000 - \$99,999	8.9%
\$100,000 - \$149,999	7.3%
\$150,000 - \$199,999	1.7%
\$200,000+	2.0%
Average Household Income	\$57,530

2000 Owner Occupied Housing Units by Value

Total	48,153
<\$50,000	22.6%
\$50,000 - \$99,999	43.1%
\$100,000 - \$149,999	18.6%
\$150,000 - \$199,999	7.8%
\$200,000 - \$299,999	5.5%
\$300,000 - \$499,999	1.8%
\$500,000 - \$999,999	0.4%
\$1,000,000 +	0.1%
Average Home Value	\$99,822

2000 Specified Renter Occupied Housing Units by Contract Rent

Total	15,176
With Cash Rent	90.6%
No Cash Rent	9.4%
Median Rent	\$341
Average Rent	\$351

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony. Specified Renter Occupied Housing Units exclude houses on 10+ acres. Average Rent excludes units paying no cash.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.

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Market Profile

Sullivan County, TN
Sullivan County, TN (47163)
Geography: County

Sullivan County, TN (4716...

2000 Population by Age

Total	153,048
0 - 4	5.6%
5 - 9	6.1%
10 - 14	6.3%
15 - 24	11.1%
25 - 34	13.1%
35 - 44	15.3%
45 - 54	14.9%
55 - 64	11.7%
65 - 74	8.7%
75 - 84	5.6%
85 +	1.6%
18 +	78.2%

2010 Population by Age

Total	156,058
0 - 4	5.4%
5 - 9	5.6%
10 - 14	5.9%
15 - 24	10.9%
25 - 34	10.4%
35 - 44	13.9%
45 - 54	15.4%
55 - 64	14.4%
65 - 74	9.9%
75 - 84	6.0%
85 +	2.4%
18 +	79.5%

2015 Population by Age

Total	156,772
0 - 4	5.2%
5 - 9	5.4%
10 - 14	5.9%
15 - 24	10.9%
25 - 34	9.9%
35 - 44	12.7%
45 - 54	14.5%
55 - 64	15.0%
65 - 74	11.8%
75 - 84	6.2%
85 +	2.5%
18 +	79.9%

2000 Population by Sex

Males	48.3%
Females	51.7%

2010 Population by Sex

Males	48.5%
Females	51.5%

2015 Population by Sex

Males	48.6%
Females	51.4%

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.

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Market Profile

Sullivan County, TN
Sullivan County, TN (47163)
Geography: County

Sullivan County, TN (4716...

2000 Population by Race/Ethnicity

Total	153,048
White Alone	96.6%
Black Alone	1.9%
American Indian Alone	0.2%
Asian or Pacific Islander Alone	0.4%
Some Other Race Alone	0.2%
Two or More Races	0.7%
Hispanic Origin	0.7%
Diversity Index	8.1

2010 Population by Race/Ethnicity

Total	156,058
White Alone	95.5%
Black Alone	2.3%
American Indian Alone	0.3%
Asian or Pacific Islander Alone	0.6%
Some Other Race Alone	0.3%
Two or More Races	1.0%
Hispanic Origin	1.3%
Diversity Index	11.0

2015 Population by Race/Ethnicity

Total	156,772
White Alone	95.0%
Black Alone	2.5%
American Indian Alone	0.3%
Asian or Pacific Islander Alone	0.7%
Some Other Race Alone	0.4%
Two or More Races	1.2%
Hispanic Origin	1.6%
Diversity Index	12.6

2000 Population 3+ by School Enrollment

Total	148,125
Enrolled in Nursery/Preschool	1.4%
Enrolled in Kindergarten	1.3%
Enrolled in Grade 1-8	10.6%
Enrolled in Grade 9-12	5.2%
Enrolled in College	2.8%
Enrolled in Grad/Prof School	0.5%
Not Enrolled in School	78.2%

2010 Population 25+ by Educational Attainment

Total	112,860
Less Than 9th Grade	6.9%
9th to 12th Grade, No Diploma	9.7%
High School Graduate	35.4%
Some College, No Degree	19.0%
Associate Degree	7.8%
Bachelor's Degree	14.1%
Graduate/Professional Degree	7.1%

Data Note: Persons of Hispanic Origin may be of any race. The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing, Esri forecasts for 2010 and 2015.

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Market Profile

Sullivan County, TN
Sullivan County, TN (47163)
Geography: County

Sullivan County, TN (4716...

2010 Population 15+ by Marital Status

Total	129,802
Never Married	19.2%
Married	59.3%
Widowed	8.0%
Divorced	13.6%

2000 Population 16+ by Employment Status

Total	123,608
In Labor Force	57.8%
Civilian Employed	55.1%
Civilian Unemployed	2.7%
In Armed Forces	0.1%
Not In Labor Force	42.2%

2010 Civilian Population 16+ in Labor Force

Civilian Employed	89.4%
Civilian Unemployed	10.6%

2015 Civilian Population 16+ in Labor Force

Civilian Employed	91.7%
Civilian Unemployed	8.3%

2000 Females 16+ by Employment Status and Age of Children

Total	64,892
Own Children < 6 Only	7.1%
Employed/in Armed Forces	4.0%
Unemployed	0.3%
Not in Labor Force	2.8%
Own Children <6 and 6-17 Only	4.6%
Employed/in Armed Forces	2.3%
Unemployed	0.1%
Not in Labor Force	2.2%
Own Children 6-17 Only	16.3%
Employed/in Armed Forces	11.1%
Unemployed	0.5%
Not in Labor Force	4.7%
No Own Children < 18	72.0%
Employed/in Armed Forces	30.5%
Unemployed	1.4%
Not in Labor Force	40.1%

2010 Employed Population 16+ by Industry

Total	68,702
Agriculture/Mining	0.9%
Construction	7.6%
Manufacturing	14.7%
Wholesale Trade	3.7%
Retail Trade	15.0%
Transportation/Utilities	4.3%
Information	1.8%
Finance/Insurance/Real Estate	5.0%
Services	43.8%
Public Administration	3.2%

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.

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Market Profile

Sullivan County, TN
 Sullivan County, TN (47163)
 Geography: County

Sullivan County, TN (4716...

2010 Employed Population 16+ by Occupation

Total	68,702
White Collar	56.6%
Management/Business/Financial	9.8%
Professional	20.9%
Sales	13.7%
Administrative Support	12.2%
Services	17.0%
Blue Collar	26.4%
Farming/Forestry/Fishing	0.3%
Construction/Extraction	6.8%
Installation/Maintenance/Repair	4.2%
Production	8.3%
Transportation/Material Moving	6.9%

2000 Workers 16+ by Means of Transportation to Work

Total	67,101
Drove Alone - Car, Truck, or Van	86.1%
Carpooled - Car, Truck, or Van	9.5%
Public Transportation	0.2%
Walked	1.2%
Other Means	0.6%
Worked at Home	2.4%

2000 Workers 16+ by Travel Time to Work

Total	67,101
Did not Work at Home	97.6%
Less than 5 minutes	3.0%
5 to 9 minutes	10.8%
10 to 19 minutes	39.9%
20 to 24 minutes	15.9%
25 to 34 minutes	17.3%
35 to 44 minutes	3.4%
45 to 59 minutes	3.8%
60 to 89 minutes	1.6%
90 or more minutes	1.9%
Worked at Home	2.4%
Average Travel Time to Work (in min)	21.3

2000 Households by Vehicles Available

Total	63,556
None	7.3%
1	28.7%
2	41.4%
3	16.5%
4	4.7%
5+	1.4%
Average Number of Vehicles Available	1.9

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.

November 05, 2012



Market Profile

Sullivan County, TN
Sullivan County, TN (47163)
Geography: County

Sullivan County, TN (4716...

2000 Households by Type

Total	63,556
Family Households	70.5%
Married-couple Family	57.1%
With Related Children	23.0%
Other Family (No Spouse)	13.4%
With Related Children	7.9%
Nonfamily Households	29.5%
Householder Living Alone	26.4%
Householder Not Living Alone	3.2%
Households with Related Children	30.8%
Households with Persons 65+	27.2%

2000 Households by Size

Total	63,556
1 Person Household	26.4%
2 Person Household	37.1%
3 Person Household	18.3%
4 Person Household	12.3%
5 Person Household	4.3%
6 Person Household	1.1%
7 + Person Household	0.5%

2000 Households by Year Householder Moved In

Total	63,556
Moved in 1999 to March 2000	16.5%
Moved in 1995 to 1998	25.0%
Moved in 1990 to 1994	15.7%
Moved in 1980 to 1989	15.8%
Moved in 1970 to 1979	12.0%
Moved in 1969 or Earlier	14.9%
Median Year Householder Moved In	1992

2000 Housing Units by Units in Structure

Total	69,052
1, Detached	70.0%
1, Attached	2.4%
2	2.1%
3 or 4	3.2%
5 to 9	3.5%
10 to 19	2.4%
20 +	2.5%
Mobile Home	13.9%
Other	0.1%

2000 Housing Units by Year Structure Built

Total	69,052
1999 to March 2000	2.4%
1995 to 1998	7.8%
1990 to 1994	7.1%
1980 to 1989	14.8%
1970 to 1979	18.2%
1969 or Earlier	49.8%
Median Year Structure Built	1970

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.

November 05, 2012



Market Profile

Sullivan County, TN
Sullivan County, TN (47163)
Geography: County

Sullivan County, TN (4716...

Top 3 Tapestry Segments

1. Heartland Communities
2. Salt of the Earth
3. Southern Satellites

2010 Consumer Spending

Apparel & Services: Total \$	\$83,944,825
Average Spent	\$1,250.39
Spending Potential Index	52
Computers & Accessories: Total \$	\$10,935,248
Average Spent	\$162.88
Spending Potential Index	74
Education: Total \$	\$59,493,404
Average Spent	\$886.18
Spending Potential Index	73
Entertainment/Recreation: Total \$	\$174,261,029
Average Spent	\$2,595.68
Spending Potential Index	81
Food at Home: Total \$	\$241,482,252
Average Spent	\$3,596.97
Spending Potential Index	80
Food Away from Home: Total \$	\$166,314,921
Average Spent	\$2,477.32
Spending Potential Index	77
Health Care: Total \$	\$223,566,860
Average Spent	\$3,330.11
Spending Potential Index	89
HH Furnishings & Equipment: Total \$	\$93,289,150
Average Spent	\$1,389.58
Spending Potential Index	67
Investments: Total \$	\$97,060,660
Average Spent	\$1,445.75
Spending Potential Index	83
Retail Goods: Total \$	\$1,301,217,528
Average Spent	\$19,382.10
Spending Potential Index	78
Shelter: Total \$	\$743,759,892
Average Spent	\$11,078.57
Spending Potential Index	70
TV/Video/Audio: Total \$	\$66,016,078
Average Spent	\$983.33
Spending Potential Index	79
Travel: Total \$	\$91,835,410
Average Spent	\$1,367.92
Spending Potential Index	72
Vehicle Maintenance & Repairs: Total \$	\$50,309,510
Average Spent	\$749.38
Spending Potential Index	79

Data Note: Consumer spending shows the amount spent on a variety of goods and services by households that reside in the area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. Total and Average Amount Spent Per Household represent annual figures. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

Source: Consumer Spending data are derived from the 2006 and 2007 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.

Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.

November 05, 2012



Census 2010 Summary Profile

Sullivan County, TN
Sullivan County, TN (47163)
Geography: County

	2000	2010	2000-2010 Annual Rate
Population	153,048	156,823	0.24%
Households	63,556	66,298	0.42%
Housing Units	69,052	73,760	0.66%
Population by Race			
	Number	Percent	
Total	156,823	100.0%	
Population Reporting One Race	154,829	98.7%	
White	149,208	95.1%	
Black	3,329	2.1%	
American Indian	416	0.3%	
Asian	884	0.6%	
Pacific Islander	34	0.0%	
Some Other Race	958	0.6%	
Population Reporting Two or More Races	1,994	1.3%	
Total Hispanic Population	2,321	1.5%	
Population by Sex			
Male	75,826	48.4%	
Female	80,997	51.6%	
Population by Age			
Total	156,823	100.0%	
Age 0 - 4	8,232	5.2%	
Age 5 - 9	8,734	5.6%	
Age 10 - 14	9,380	6.0%	
Age 15 - 19	9,678	6.2%	
Age 20 - 24	8,098	5.2%	
Age 25 - 29	7,890	5.0%	
Age 30 - 34	8,422	5.4%	
Age 35 - 39	10,105	6.4%	
Age 40 - 44	10,883	6.9%	
Age 45 - 49	11,912	7.6%	
Age 50 - 54	12,050	7.7%	
Age 55 - 59	11,493	7.3%	
Age 60 - 64	10,731	6.8%	
Age 65 - 69	9,220	5.9%	
Age 70 - 74	7,014	4.5%	
Age 75 - 79	5,255	3.4%	
Age 80 - 84	4,158	2.7%	
Age 85+	3,568	2.3%	
Age 18+	124,530	79.4%	
Age 65+	29,215	18.6%	
Median Age by Sex and Race/Hispanic Origin			
Total Population	43.6		
Male	42.2		
Female	45.1		
White Alone	44.2		
Black Alone	35.9		
American Indian Alone	44.7		
Asian Alone	37.0		
Pacific Islander Alone	32.5		
Some Other Race Alone	23.4		
Two or More Races	17.2		
Hispanic Population	24.4		

Data Note: Hispanic population can be of any race. Census 2010 medians are computed from reported data distributions.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri converted Census 2000 data into 2010 geography.

November 05, 2012



Census 2010 Summary Profile

Sullivan County, TN
Sullivan County, TN (47163)
Geography: County

Households by Type

Total	66,298	100.0%
Households with 1 Person	19,065	28.8%
Households with 2+ People	47,233	71.2%
Family Households	44,369	66.9%
Husband-wife Families	33,822	51.0%
With Own Children	11,096	16.7%
Other Family (No Spouse Present)	10,547	15.9%
With Own Children	5,123	7.7%
Nonfamily Households	2,864	4.3%
All Households with Children	18,623	28.1%
Multigenerational Households	2,243	3.4%
Unmarried Partner Households	3,429	5.2%
Male-female	3,067	4.6%
Same-sex	362	0.5%
Average Household Size	2.33	

Family Households by Size

Total	44,369	100.0%
2 People	22,232	50.1%
3 People	10,541	23.8%
4 People	7,346	16.6%
5 People	2,837	6.4%
6 People	943	2.1%
7+ People	470	1.1%
Average Family Size	2.84	

Nonfamily Households by Size

Total	21,929	100.0%
1 Person	19,065	86.9%
2 People	2,509	11.4%
3 People	246	1.1%
4 People	71	0.3%
5 People	26	0.1%
6 People	11	0.1%
7+ People	1	0.0%
Average Nonfamily Size	1.15	

Population by Relationship and Household Type

Total	156,823	100.0%
In Households	154,192	98.3%
In Family Households	128,883	82.2%
Householder	44,369	28.3%
Spouse	33,822	21.6%
Child	43,698	27.9%
Other relative	4,158	2.7%
Nonrelative	2,836	1.8%
In Nonfamily Households	25,309	16.1%
In Group Quarters	2,631	1.7%
Institutionalized Population	1,658	1.1%
Noninstitutionalized Population	973	0.6%

Data Note: Households with children include any households with people under age 18, related or not. Multigenerational households are families with 3 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography. Average family size excludes nonrelatives.

Source: U.S. Census Bureau, Census 2010 Summary File 1.

November 05, 2012



Census 2010 Summary Profile

Sullivan County, TN
Sullivan County, TN (47163)
Geography: County

Family Households by Age of Householder

Total	44,369	100.0%
Householder Age 15 - 44	15,215	34.3%
Householder Age 45 - 54	9,435	21.3%
Householder Age 55 - 64	8,861	20.0%
Householder Age 65 - 74	6,706	15.1%
Householder Age 75+	4,152	9.4%

Nonfamily Households by Age of Householder

Total	21,929	100.0%
Householder Age 15 - 44	5,011	22.9%
Householder Age 45 - 54	3,884	17.7%
Householder Age 55 - 64	4,424	20.2%
Householder Age 65 - 74	3,687	16.8%
Householder Age 75+	4,923	22.5%

Households by Race of Householder

Total	66,298	100.0%
Householder is White Alone	63,801	96.2%
Householder is Black Alone	1,294	2.0%
Householder is American Indian Alone	169	0.3%
Householder is Asian Alone	275	0.4%
Householder is Pacific Islander Alone	6	0.0%
Householder is Some Other Race Alone	241	0.4%
Householder is Two or More Races	512	0.8%
Households with Hispanic Householder	637	1.0%

Husband-wife Families by Race of Householder

Total	33,822	100.0%
Householder is White Alone	32,911	97.3%
Householder is Black Alone	362	1.1%
Householder is American Indian Alone	71	0.2%
Householder is Asian Alone	176	0.5%
Householder is Pacific Islander Alone	5	0.0%
Householder is Some Other Race Alone	113	0.3%
Householder is Two or More Races	184	0.5%
Husband-wife Families with Hispanic Householder	284	0.8%

Other Families (No Spouse) by Race of Householder

Total	10,547	100.0%
Householder is White Alone	9,892	93.8%
Householder is Black Alone	387	3.7%
Householder is American Indian Alone	39	0.4%
Householder is Asian Alone	30	0.3%
Householder is Pacific Islander Alone	1	0.0%
Householder is Some Other Race Alone	63	0.6%
Householder is Two or More Races	135	1.3%
Other Families with Hispanic Householder	152	1.4%

Nonfamily Households by Race of Householder

Total	21,929	100.0%
Householder is White Alone	20,998	95.8%
Householder is Black Alone	545	2.5%
Householder is American Indian Alone	59	0.3%
Householder is Asian Alone	69	0.3%
Householder is Pacific Islander Alone	0	0.0%
Householder is Some Other Race Alone	65	0.3%
Householder is Two or More Races	193	0.9%
Nonfamily Households with Hispanic Householder	201	0.9%

Source: U.S. Census Bureau, Census 2010 Summary File 1.

November 05, 2012



Census 2010 Summary Profile

Sullivan County, TN
Sullivan County, TN (47163)
Geography: County

Total Housing Units by Occupancy

Total	73,760	100.0%
Occupied Housing Units	66,298	89.9%
Vacant Housing Units		
For Rent	2,174	2.9%
Rented, not Occupied	98	0.1%
For Sale Only	1,284	1.7%
Sold, not Occupied	317	0.4%
For Seasonal/Recreational/Occasional Use	906	1.2%
For Migrant Workers	1	0.0%
Other Vacant	2,682	3.6%
Total Vacancy Rate	10.1%	

Households by Tenure and Mortgage Status

Total	66,298	100.0%
Owner Occupied	48,423	73.0%
Owned with a Mortgage/Loan	27,606	41.6%
Owned Free and Clear	20,817	31.4%
Average Household Size	2.37	
Renter Occupied	17,875	27.0%
Average Household Size	2.20	

Owner-occupied Housing Units by Race of Householder

Total	48,423	100.0%
Householder is White Alone	47,166	97.4%
Householder is Black Alone	573	1.2%
Householder is American Indian Alone	101	0.2%
Householder is Asian Alone	207	0.4%
Householder is Pacific Islander Alone	3	0.0%
Householder is Some Other Race Alone	95	0.2%
Householder is Two or More Races	278	0.6%
Owner-occupied Housing Units with Hispanic Householder	299	0.6%

Renter-occupied Housing Units by Race of Householder

Total	17,875	100.0%
Householder is White Alone	16,635	93.1%
Householder is Black Alone	721	4.0%
Householder is American Indian Alone	68	0.4%
Householder is Asian Alone	68	0.4%
Householder is Pacific Islander Alone	3	0.0%
Householder is Some Other Race Alone	146	0.8%
Householder is Two or More Races	234	1.3%
Renter-occupied Housing Units with Hispanic Householder	338	1.9%

Average Household Size by Race/Hispanic Origin of Householder

Householder is White Alone	2.32
Householder is Black Alone	2.34
Householder is American Indian Alone	2.53
Householder is Asian Alone	2.67
Householder is Pacific Islander Alone	3.00
Householder is Some Other Race Alone	3.40
Householder is Two or More Races	2.47
Householder is Hispanic	3.00

Source: U.S. Census Bureau, Census 2010 Summary File 1.

November 05, 2012



Demographic and Income Profile

Sullivan County, TN
Sullivan County, TN (47163)
Geography: County

Summary	2010	2011	2016			
Population	156,823	157,397	159,555			
Households	66,298	66,545	67,751			
Families	44,369	44,557	44,895			
Average Household Size	2.33	2.33	2.32			
Owner Occupied Housing Units	48,423	48,323	49,425			
Renter Occupied Housing Units	17,875	18,222	18,326			
Median Age	43.6	43.8	45.0			
Trends: 2011 - 2016 Annual Rate	Area	State	National			
Population	0.27%	0.86%	0.67%			
Households	0.36%	0.88%	0.71%			
Families	0.15%	0.69%	0.57%			
Owner HHs	0.45%	1.03%	0.91%			
Median Household Income	3.04%	3.52%	2.75%			
		2011	2016			
Households by Income		Number	Percent	Number	Percent	
<\$15,000		13,697	20.6%	13,245	19.6%	
\$15,000 - \$24,999		10,554	15.9%	8,208	12.1%	
\$25,000 - \$34,999		8,388	12.6%	7,118	10.5%	
\$35,000 - \$49,999		10,839	16.3%	10,461	15.4%	
\$50,000 - \$74,999		10,853	16.3%	14,074	20.8%	
\$75,000 - \$99,999		5,933	8.9%	7,629	11.3%	
\$100,000 - \$149,999		3,975	6.0%	4,535	6.7%	
\$150,000 - \$199,999		1,166	1.8%	1,255	1.9%	
\$200,000+		1,140	1.7%	1,226	1.8%	
Median Household Income		\$35,617		\$41,363		
Average Household Income		\$49,172		\$54,897		
Per Capita Income		\$21,258		\$23,789		
		2010	2011	2016		
Population by Age	Number	Percent	Number	Percent	Number	Percent
0 - 4	8,232	5.2%	8,129	5.2%	8,193	5.1%
5 - 9	8,734	5.6%	8,718	5.5%	8,635	5.4%
10 - 14	9,380	6.0%	9,380	6.0%	9,394	5.9%
15 - 19	9,678	6.2%	9,641	6.1%	9,001	5.6%
20 - 24	8,098	5.2%	8,142	5.2%	7,840	4.9%
25 - 34	16,312	10.4%	16,405	10.4%	16,732	10.5%
35 - 44	20,988	13.4%	20,903	13.3%	20,045	12.6%
45 - 54	23,962	15.3%	23,825	15.1%	21,758	13.6%
55 - 64	22,224	14.2%	22,555	14.3%	24,123	15.1%
65 - 74	16,234	10.4%	16,688	10.6%	20,303	12.7%
75 - 84	9,413	6.0%	9,432	6.0%	9,664	6.1%
85+	3,568	2.3%	3,579	2.3%	3,867	2.4%
		2010	2011	2016		
Race and Ethnicity	Number	Percent	Number	Percent	Number	Percent
White Alone	149,208	95.1%	149,730	95.1%	151,024	94.7%
Black Alone	3,329	2.1%	3,340	2.1%	3,492	2.2%
American Indian Alone	416	0.3%	415	0.3%	455	0.3%
Asian Alone	884	0.6%	884	0.6%	963	0.6%
Pacific Islander Alone	34	0.0%	34	0.0%	38	0.0%
Some Other Race Alone	958	0.6%	995	0.6%	1,197	0.8%
Two or More Races	1,994	1.3%	1,999	1.3%	2,386	1.5%
Hispanic Origin (Any Race)	2,321	1.5%	2,426	1.5%	3,056	1.9%

Data Note: Income is expressed in current dollars.

Source: U.S. Census Bureau, Census 2010 Data. Esri forecasts for 2011 and 2016.

November 05, 2012

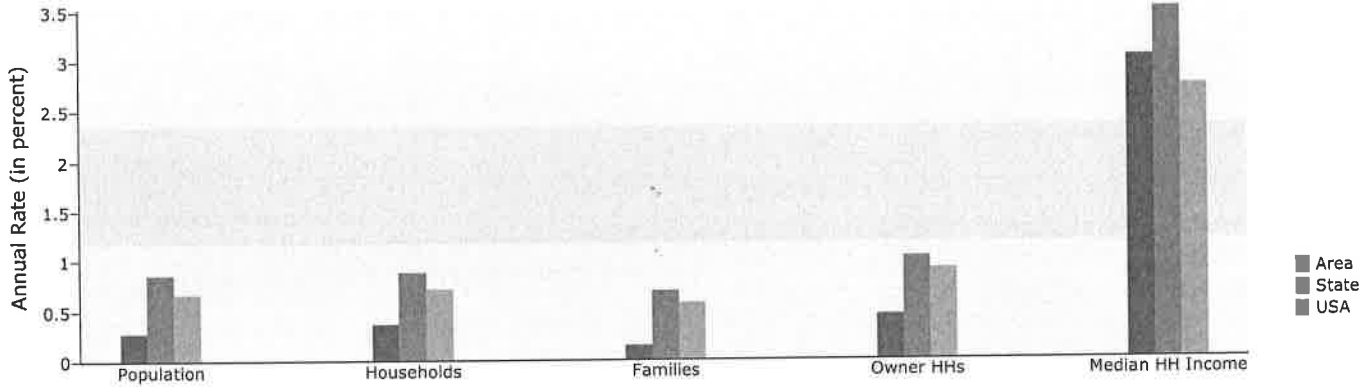
Made with Esri Business Analyst



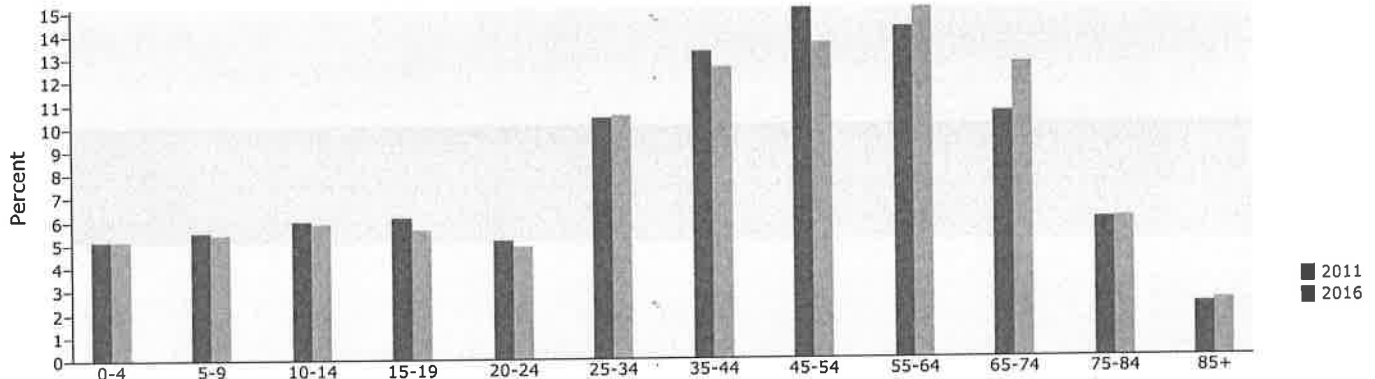
Demographic and Income Profile

Sullivan County, TN
Sullivan County, TN (47163)
Geography: County

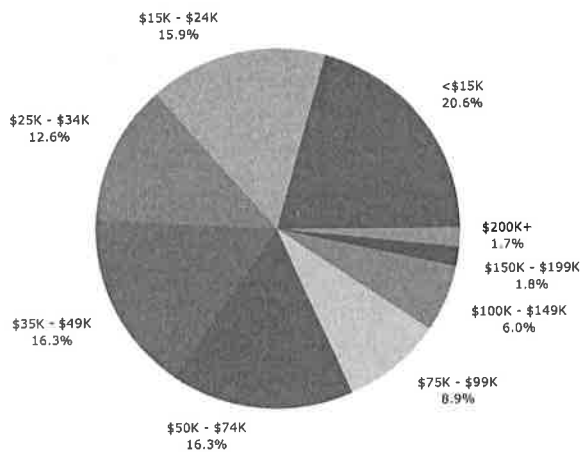
Trends 2011-2016



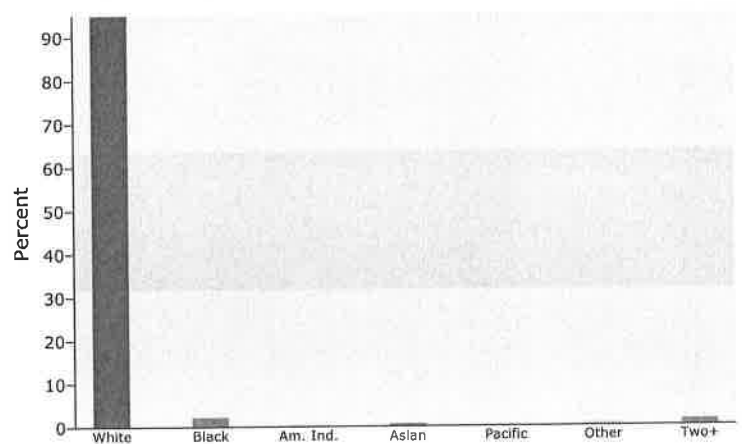
Population by Age



2011 Household Income



2011 Population by Race



2011 Percent Hispanic Origin: 1.5%

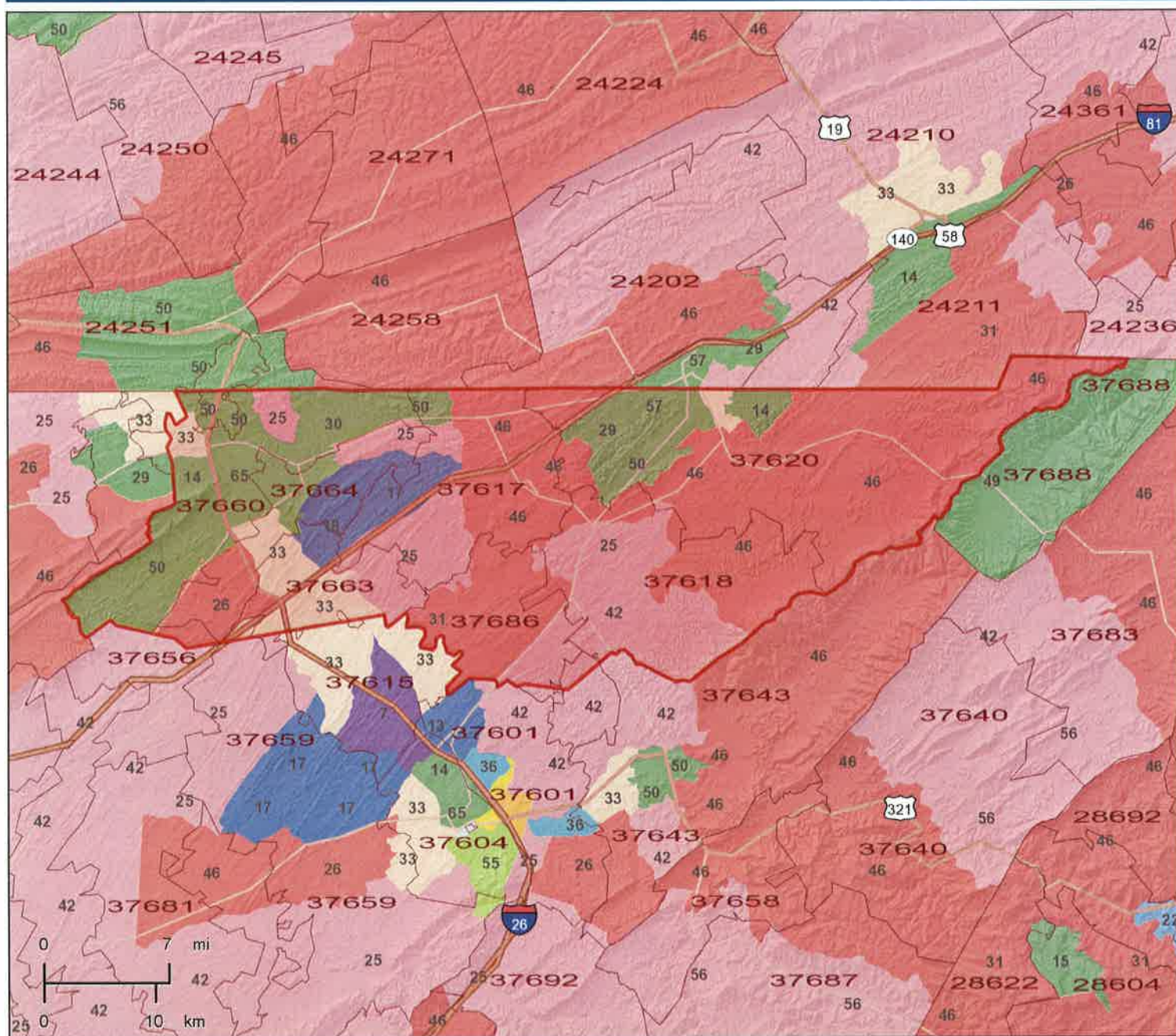
Source: U.S. Census Bureau, Census 2010 Data. Esri forecasts for 2011 and 2016.

November 05, 2012

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Dominant Tapestry Site Map

Sullivan County, TN
47163 (Sullivan County)
Geography: Counties



Tapestry LifeMode

- L1 High Society: Affluent, well-educated, married-couple homeowners
- L2 Upscale Avenues: Prosperous, married-couple homeowners in different housing
- L3 Metropolis: City dwellers in older homes reflecting the diversity of urban culture
- L4 Solo Acts: Urban young singles on the move
- L5 Senior Styles: Senior lifestyles by income, age, and housing type
- L6 Scholars and Patriots: College, military environments
- L7 High Hopes: Young households striving for the "American Dream"
- L8 Global Roots: Ethnic and culturally diverse families
- L9 Family Portrait: Youth, family life, and children
- L10 Traditional Living: Middle-aged, middle income—Middle America
- L11 Factories and Farms: Hardworking families in small communities, settled near jobs
- L12 American Quilt: Households in small towns and rural areas



Source: Esri

November 05, 2012



Dominant Tapestry Site Map

Sullivan County, TN
47163 (Sullivan County)
Geography: Counties

Tapestry Segmentation

Tapestry Segmentation represents the fourth generation of market segmentation systems that began 30 years ago. The 65-segment Tapestry Segmentation system classifies U.S. neighborhoods based on their socioeconomic and demographic composition. Each segment is identified by its two-digit Segment Code. Match the two-digit segment labels on the map to the list below. A longer description of each segment is available at:

<http://www.esri.com/library/whitepapers/pdfs/community-tapestry.pdf>

Segment 01: Top Rung	Segment 34: Family Foundations
Segment 02: Suburban Splendor	Segment 35: International Marketplace
Segment 03: Connoisseurs	Segment 36: Old and Newcomers
Segment 04: Boomburbs	Segment 37: Prairie Living
Segment 05: Wealthy Seaboard Suburbs	Segment 38: Industrious Urban Fringe
Segment 06: Sophisticated Squires	Segment 39: Young and Restless
Segment 07: Exurbanites	Segment 40: Military Proximity
Segment 08: Laptops and Lattes	Segment 41: Crossroads
Segment 09: Urban Chic	Segment 42: Southern Satellites
Segment 10: Pleasant-Ville	Segment 43: The Elders
Segment 11: Pacific Heights	Segment 44: Urban Melting Pot
Segment 12: Up and Coming Families	Segment 45: City Strivers
Segment 13: In Style	Segment 46: Rooted Rural
Segment 14: Prosperous Empty Nesters	Segment 47: Las Casas
Segment 15: Silver and Gold	Segment 48: Great Expectations
Segment 16: Enterprising Professionals	Segment 49: Senior Sun Seekers
Segment 17: Green Acres	Segment 50: Heartland Communities
Segment 18: Cozy and Comfortable	Segment 51: Metro City Edge
Segment 19: Milk and Cookies	Segment 52: Inner City Tenants
Segment 20: City Lights	Segment 53: Home Town
Segment 21: Urban Villages	Segment 54: Urban Rows
Segment 22: Metropolitans	Segment 55: College Towns
Segment 23: Trendsetters	Segment 56: Rural Bypasses
Segment 24: Main Street, USA	Segment 57: Simple Living
Segment 25: Salt of the Earth	Segment 58: NeWest Residents
Segment 26: Midland Crowd	Segment 59: Southwestern Families
Segment 27: Metro Renters	Segment 60: City Dimensions
Segment 28: Aspiring Young Families	Segment 61: High Rise Renters
Segment 29: Rustbelt Retirees	Segment 62: Modest Income Homes
Segment 30: Retirement Communities	Segment 63: Dorms to Diplomas
Segment 31: Rural Resort Dwellers	Segment 64: City Commons
Segment 32: Rustbelt Traditions	Segment 65: Social Security Set
Segment 33: Midlife Junction	Segment 66: Unclassified

Source: Esri

November 05, 2012



Medical Expenditures

Sullivan County, TN
Sullivan County, TN (47163)
Geography: County

Demographic Summary	2011	2016
Population	157,397	159,555
Households	66,545	67,751
Families	44,557	44,895
Median Household Income	\$35,617	\$41,363
Males per 100 Females	93.6	94.0

Population By Age		
Population <5 Years	5.2%	5.1%
Population 65+ Years	18.9%	21.2%
Median Age	43.8	45.0

	Spending Potential Index	Average Amount Spent	Total
Health Care	84	\$3,049.52	\$202,930,281
Medical Care	84	\$1,453.28	\$96,708,558
Physician Services	80	\$176.20	\$11,725,454
Dental Services	76	\$239.07	\$15,908,886
Eyecare Services	80	\$38.52	\$2,563,605
Lab Tests, X-Rays	85	\$45.24	\$3,010,664
Hospital Room and Hospital Services	81	\$107.64	\$7,162,918
Convalescent or Nursing Home Care	61	\$13.59	\$904,086
Other Medical services (1)	82	\$89.12	\$5,930,171
Nonprescription Drugs	86	\$85.72	\$5,704,027
Prescription Drugs	92	\$444.43	\$29,574,759
Nonprescription Vitamins	81	\$44.30	\$2,948,126
Medicare Prescription Drug Premium	99	\$47.43	\$3,156,185
Eyeglasses and Contact Lenses	78	\$57.80	\$3,846,421
Hearing Aids	95	\$19.98	\$1,329,314
Medical Equipment for General Use	76	\$4.65	\$309,559
Other Medical Supplies (2)	80	\$39.59	\$2,634,383
Health Insurance	85	\$1,596.24	\$106,221,723
Blue Cross/Blue Shield	85	\$459.40	\$30,570,706
Commercial Health Insurance	78	\$282.60	\$18,805,516
Health Maintenance Organization	73	\$236.96	\$15,768,409
Medicare Payments	97	\$387.44	\$25,782,517
Long Term Care Insurance	83	\$66.95	\$4,455,380
Other Health Insurance (3)	100	\$162.89	\$10,839,195

Data Note: The Spending Potential Index (SPI) is household-based, and represents the amount spent for a product or service relative to a national average of 100. Detail may not sum to totals due to rounding.

(1) Other Medical Services includes Services by Medical Professionals other than Physicians, Nursing Services, Therapeutic Treatments, Blood Donation, Ambulance, Emergency Room, and Outpatient Hospital Services

(2) Other Medical Supplies includes Topicals, Dressings, Supportive and Convalescent Medical Equipment, Rental of Medical Equipment for General Use, and Rental of Supportive and Convalescent Medical Equipment.

(3) Other Health Insurance includes Medicare Supplements and Other Health Insurance excluding Blue Cross/Blue Shield.

Source: Esri forecasts for 2011 and 2016; Consumer Spending data are derived from the 2006 and 2007 Consumer Expenditure Surveys, Bureau of Labor statistics

November 05, 2012

Section C - Economic Feasibility – 1

Project Costs Chart & Assumptions

PROJECT COSTS CHART PM 2 58
2012 DEC 12

A. Construction and equipment acquired by purchase:

1. Architectural and Engineering Fees	<u>344,800</u>
2. Legal, Administrative, Consultant Fees	<u>62,300</u>
3. Acquisition of Site (Building, including estimated closing costs)	<u>2,703,000</u>
4. Preparation of Site (Including demolition)	<u>0</u>
5. Construction Costs	<u>5,161,300</u>
6. Contingency Fund	<u>516,200</u>
7. Fixed Equipment (Not included in Construction Contract)	<u>575,700</u>
8. Moveable Equipment (List all equipment over \$50,000)	<u>637,900</u>
9. Other (Specify) Landscaping, pre-opening	<u>210,000</u>

B. Acquisition by gift, donation or lease:

1. Facility (Inclusive of building and land)	<u> </u>
2. Building Only	<u> </u>
3. Land Only	<u> </u>
4. Equipment (Specify)	<u> </u>
5. Other (Specify)	<u> </u>

C. Financing costs and Fees:

1. Interim Financing	<u>151,100</u>
2. Underwriting Costs	<u> </u>
3. Reserve for One Year's Debt Service	<u> </u>
4. Other (Specify)	<u> </u>

D. Total Estimated Project Cost (A + B + C)	<u>10,362,300</u>
--	--------------------------

E. CON Filing Fee	<u>23,315.18</u>
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F. Total Estimated Project Cost (D + E)	<u>\$ 10,385,615</u>
--	-----------------------------

NHC at Indian Path
 52 Beds
 2012 DEC 12 PM 2 58
 Project Costs Charts Assumptions

Architectural/Engineering	
Architect	\$ 270,300
Civil and Landscaping	19,500
Materials and SWWP Inspection	15,000
Test & balance study	40,000
Total	<u>\$ 344,800</u>

Fixed Equipment	
Kitchen, Laundry, Asst. Bathing, Signage & Miscellaneous	<u>\$ 575,700</u>

Other Costs	
Landscaping	\$ 150,000
Start up costs	60,000
Total	<u>\$ 210,000</u>

Johnson + Bailey Architects P.C.



September 20, 2012

Mr. Bruce Duncan
National Healthcare Corporation
100 East Vine Street
Murfreesboro, TN 37130

Re: NHC at Indian Path - CON
Kingsport, TN

Dear Bruce:

Based on the following renovation and new construction costs it is my opinion, relative to recently completed similar projects, that total construction costs for the referenced project should be approximately \$5,161,300 exclusive of Owner's 10% design and construction contingency. While the floor plan indicates different construction costs for differing levels of remodeling, the renovation cost utilized below is an average based upon the different types of renovation noted:

New Construction - 3,863 sq. ft. @ \$212.00/sq. ft.=	\$ 818,700.00
Renovation - 42,996 sq. ft. @ \$ 101.00/sq. ft.	<u>\$ 4,342,600.00</u>
Total Cost	\$ 5,161,300.00

The preliminary plans have been designed to be in compliance with all applicable building and life safety codes and according to the requirements of the 2010 edition of the Guidelines for the Design and Construction of Health Care Facilities.

Please advise if you require any additional information.

Sincerely,

JOHNSON + BAILEY ARCHITECTS P.C.

A handwritten signature in black ink, appearing to read 'James H. Bailey, III'.

James H. Bailey, III AIA
President

Section C – Economic Feasibility - 2

Project Funding

2012 DEC 12 PM 2 58

November 5, 2012

Ms. Melanie Hill, Executive Director
State of Tennessee
Health Services and Development Agency
500 Deaderick Street, Suite 850
Nashville, TN 37243

RE: NHC at Indian Path, LLC d/b/a NHC at Indian Path (Sullivan County), New 52
Bed Facility \$10,385,615

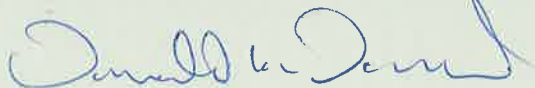
Dear Ms. Hill:

National HealthCare Corporation, a NYSE Amex publicly traded company with over \$61,000,000 of cash and cash equivalents, as stated in the December 31, 2011 10-K, will make available all the necessary funds for the operation and working capital for the above referenced project. These funds are available on immediate notice.

Should you have any further questions or comments, please advise.

Sincerely,

NATIONAL HEALTHCARE CORPORATION



Donald K. Daniel
Senior Vice President and Controller

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934**
For the fiscal year ended December 31, 2011

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES AND EXCHANGE ACT OF 1934**
For the transition period from _____ to _____

Commission File No. 001-13489

NHC

NATIONAL HEALTHCARE CORPORATION

(Exact name of registrant as specified in its Corporate Charter)

Delaware
(State of Incorporation)

52-2057472
(I.R.S. Employer I.D. No.)

**100 Vine Street
Murfreesboro, Tennessee 37130**
(Address of principal executive offices)
Telephone Number: **615-890-2020**

Securities registered pursuant to Section 12(b) of the Act.

Title of Each Class
Shares of Common Stock
Shares of Preferred Cumulative Convertible Stock

Name of Each Exchange on which Registered
NYSE Amex
NYSE Amex

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months or for such shorter period that the registrant was required to file such reports, and (2) has been subject to such filing requirements for the past 90 days: Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such period that the registrant was required to submit and post such files).
Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☒

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company (as defined in Rule 12b-2 of the Act). Large accelerated filer ☐ Accelerated filer ☒ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of Common Stock held by non-affiliates on June 30, 2011 (based on the closing price of such shares on the NYSE Amex) was approximately \$363 million. For purposes of the foregoing calculation only, all directors, named executive officers and persons known to the Registrant to be holders of 5% or more of the Registrant's Common Stock have been deemed affiliates of the Registrant.

The number of shares of Common Stock outstanding as of February 14, 2012 was 13,862,738.

Documents Incorporated by Reference

The following documents are incorporated by reference into Part III, Items 10, 11, 12, 13 and 14 of this Form 10-K:
The Registrant's definitive proxy statement for its 2012 shareholder's meeting.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Board of Directors and Stockholders
National HealthCare Corporation

We have audited the accompanying consolidated balance sheets of National HealthCare Corporation as of December 31, 2011 and 2010 and the related consolidated statements of income, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2011. Our audits also included the financial statement schedule listed in Item 15(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of National HealthCare Corporation at December 31, 2011 and 2010 and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2011, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), National HealthCare Corporation's internal control over financial reporting as of December 31, 2011, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 17, 2012, expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Nashville, Tennessee
February 17, 2012

NATIONAL HEALTHCARE CORPORATION
Consolidated Statements of Income
(in thousands, except share and per share amounts)

	Years Ended December 31,		
	2011	2010	2009
Revenues:			
Net patient revenues	\$ 715,489	\$ 663,629	\$ 621,589
Other revenues	58,048	57,024	51,613
Net operating revenues	773,537	720,653	673,202
Costs and Expenses:			
Salaries, wages and benefits	428,672	400,270	370,708
Other operating	198,439	197,016	188,145
Rent	39,736	38,086	37,332
Depreciation and amortization	28,901	27,141	25,429
Interest	443	513	716
Total costs and expenses	696,191	663,026	622,330
Income Before Non-Operating Income	77,346	57,627	50,872
Non-Operating Income	20,533	23,340	16,784
Income Before Income Taxes	97,879	80,967	67,656
Income Tax Provision	(33,807)	(28,272)	(27,607)
Net Income	64,072	52,695	40,049
Dividends to Preferred Stockholders	(8,671)	(8,673)	(8,673)
Net Income Available to Common Stockholders	\$ 55,401	\$ 44,022	\$ 31,376
Earnings Per Common Share:			
Basic	\$ 4.02	\$ 3.22	\$ 2.31
Diluted	\$ 3.90	\$ 3.22	\$ 2.31
Weighted Average Common Shares Outstanding:			
Basic	13,774,628	13,671,053	13,562,850
Diluted	16,414,023	13,676,476	13,577,676

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements.

NATIONAL HEALTHCARE CORPORATION
Consolidated Balance Sheets
(in thousands, except share and per share amounts)

	December 31,	
	2011	2010
Assets		
Current Assets:		
Cash and cash equivalents	\$ 61,008	\$ 28,478
Restricted cash and cash equivalents	50,587	51,992
Marketable securities	85,051	85,116
Restricted marketable securities	83,625	70,877
Accounts receivable, less allowance for doubtful accounts of \$3,713 and \$3,942, respectively	69,635	77,049
Inventories	7,419	7,853
Prepaid expenses and other assets	1,082	1,251
Federal income tax receivable	3,779	-
Total current assets	<u>362,186</u>	<u>322,616</u>
Property and Equipment:		
Property and equipment, at cost	659,523	640,150
Accumulated depreciation and amortization	<u>(229,872)</u>	<u>(203,758)</u>
Net property and equipment	<u>429,651</u>	<u>436,392</u>
Other Assets:		
Deposits	397	302
Goodwill	20,320	20,320
Notes receivable	22,449	23,671
Deferred income taxes	10,167	12,000
Investments in limited liability companies and other	20,502	14,204
Total other assets	<u>73,835</u>	<u>70,497</u>
Total assets	<u>\$ 865,672</u>	<u>829,505</u>

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements.

NATIONAL HEALTHCARE CORPORATION
Consolidated Balance Sheets
(in thousands, except share and per share amounts)

	December 31,	
	2011	2010
Liabilities and Stockholders' Equity		
Current Liabilities:		
Trade accounts payable	\$ 9,834	\$ 10,947
Accrued payroll	54,063	52,055
Amounts due to third party payors	16,807	17,667
Accrued risk reserves	98,732	105,549
Deferred income taxes	14,526	14,186
Other current liabilities	15,583	17,895
Dividends payable	6,362	5,997
Total current liabilities	<u>215,907</u>	<u>224,296</u>
Long-Term Debt, less Current Portion	10,000	10,000
Other Noncurrent Liabilities	16,244	18,861
Deferred Lease Credits	-	1,212
Deferred Revenue	11,785	13,990
Commitments, Contingencies and Guarantees		
Stockholders' Equity:		
Series A Convertible Preferred Stock; \$.01 par value; 25,000,000 shares authorized; 10,838,490 and 10,840,608 shares, respectively, issued and outstanding; stated at liquidation value of \$15.75 per share	170,515	170,548
Common stock, \$.01 par value; 30,000,000 shares authorized; 13,862,738 and 13,637,258 shares, respectively, issued and outstanding	138	136
Capital in excess of par value	139,183	128,061
Retained earnings	265,198	226,114
Unrealized gains on marketable securities, net of taxes	36,702	36,287
Total stockholders' equity	<u>611,736</u>	<u>561,146</u>
Total liabilities and stockholders' equity	<u>\$ 865,672</u>	<u>\$ 829,505</u>

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements.

NATIONAL HEALTHCARE CORPORATION
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,		
	2011	2010	2009
Cash Flows From Operating Activities:			
Net income	\$ 64,072	\$ 52,695	\$ 40,049
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	28,901	27,141	25,429
Provision for doubtful accounts receivable	2,430	2,256	1,121
Equity in earnings of unconsolidated investments	(9,674)	(8,993)	(8,679)
Distributions from unconsolidated investments	10,828	6,462	7,216
Recovery of assets in acquisition of healthcare centers	—	(3,563)	—
Gains on sale of marketable securities	(754)	(891)	—
Deferred income taxes	1,990	3,505	1,380
Stock-based compensation	2,751	321	1,134
Changes in operating assets and liabilities, net of the effect of acquisitions:			
Restricted cash and cash equivalents	(7,830)	(2,509)	4,448
Accounts receivable	5,032	(15,817)	7,478
Income tax receivable	(3,779)	3,470	(3,470)
Inventories	434	(372)	(251)
Prepaid expenses and other assets	169	(166)	172
Trade accounts payable	(1,113)	(352)	(2,900)
Accrued payroll	2,008	5,205	(2,331)
Amounts due to third party payors	(860)	(891)	3,023
Other current liabilities and accrued risk reserves	(9,129)	(103)	4,411
Entrance fee deposits	(2,170)	(957)	94
Other noncurrent liabilities	(2,617)	(3,772)	6,826
Deferred income	(35)	(265)	—
Net cash provided by operating activities	80,654	62,404	85,150
Cash Flows From Investing Activities:			
Additions to and acquisitions of property and equipment	(23,597)	(32,838)	(44,064)
Disposals of property and equipment	225	545	384
Acquisition of non-controlling interest in hospice business	(7,500)	—	—
Acquisition of homecare business	—	(14,342)	—
Investments in notes receivable	(650)	—	(8,326)
Collections of notes receivable	1,872	1,300	5,017
Decrease in restricted cash and cash equivalents	9,235	47,451	18,025
Purchases of marketable securities	(57,597)	(93,305)	(18,025)
Sale of marketable securities	46,266	43,849	—
Cash acquired in acquisition of facilities	—	989	—
Changes in cash fund in liquidation	—	—	7,804
Net cash used in investing activities	(31,746)	(46,351)	(39,185)
Cash Flows From Financing Activities:			
Payments on debt	—	—	(50,502)
Tax benefit from stock-based compensation	(52)	154	1,566
Dividends paid to preferred stockholders	(8,671)	(8,673)	(8,673)
Dividends paid to common stockholders	(15,952)	(14,780)	(13,508)
Issuance of common shares	8,392	2,655	15,395
Repurchase of common shares	—	(5,944)	—
(Increase) decrease in deposits	(95)	21	206
Other	—	(30)	(460)
Net cash used in financing activities	(16,378)	(26,597)	(55,976)
Net Increase (Decrease) in Cash and Cash Equivalents	32,530	(10,544)	(10,011)
Cash and Cash Equivalents, Beginning of Period	28,478	39,022	49,033
Cash and Cash Equivalents, End of Period	\$ 61,008	\$ 28,478	\$ 39,022

NATIONAL HEALTHCARE CORPORATION
Consolidated Statements of Cash Flows
(continued)

<i>(in thousands)</i>	Year Ended December 31,		
	2011	2010	2009
Supplemental Information:			
Cash payments for interest	\$ 501	\$ 658	\$ 869
Cash payments for income taxes	40,798	22,969	21,585
Non-cash activities include:			
Effective December 1, 2010, NHC acquired the assets and assumed certain liabilities of two 120-bed long-term health care centers. The consideration given was first mortgage bonds owned by us.			
Real and personal property	—	(4,873)	—
Current assets acquired	—	(1,958)	—
Current liabilities acquired	—	1,623	—
First mortgage revenue bonds	—	1,645	—
Gain on recovery of assets	—	3,563	—

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements.

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

☒ QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2012

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-13489

NHC

NATIONAL HEALTHCARE CORPORATION

(Exact name of registrant as specified in its Charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

52-2057472

(I.R.S. Employer
Identification No.)

100 E. Vine Street
Murfreesboro, TN

37130

(Address of principal executive offices)

(Zip Code)

(615) 890-2020

Registrant's telephone number, including area code

Indicate by check mark whether the registrant: (1) Has filed all reports required to be filed by Section 13 or 15(d), of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such period that the registrant was required to submit and post such files).
Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated filer ☐

Accelerated filer ☒

Non-accelerated filer (Do not check if a smaller reporting
company) ☐

Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as is defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

14,003,006 shares of common stock of the registrant were outstanding as of October 29, 2012.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

NATIONAL HEALTHCARE CORPORATION Interim Condensed Consolidated Statements of Income (Unaudited) (in thousands, except share and per share amounts)

	Three Months Ended September 30		Nine Months Ended September 30	
	2012	2011	2012	2011
Revenues:				
Net patient revenues	\$ 175,361	\$ 182,134	\$ 525,211	\$ 536,531
Other revenues	14,007	14,930	42,008	44,264
Net operating revenues	189,368	197,064	567,219	580,795
Cost and Expenses:				
Salaries, wages and benefits	106,844	106,870	318,028	320,425
Other operating	48,519	54,807	149,271	148,084
Facility rent	9,813	10,000	29,507	29,744
Depreciation and amortization	7,402	7,307	22,168	21,344
Interest	119	136	345	333
Total costs and expenses	172,697	179,120	519,319	519,930
Income Before Non-Operating Income	16,671	17,944	47,900	60,865
Non-Operating Income	6,771	5,140	18,546	14,856
Income Before Income Taxes	23,442	23,084	66,446	75,721
Income Tax Provision	(6,209)	(5,873)	(22,923)	(26,175)
Net Income	17,233	17,211	43,523	49,546
Dividends to Preferred Stockholders	(2,167)	(2,167)	(6,503)	(6,503)
Net Income Available to Common Stockholders	\$ 15,066	\$ 15,044	\$ 37,020	\$ 43,043
Earnings Per Common Share:				
Basic	\$ 1.09	\$ 1.09	\$ 2.67	\$ 3.13
Diluted	\$ 1.04	\$ 1.05	\$ 2.63	\$ 3.02
Weighted Average Common Shares Outstanding:				
Basic	13,852,403	13,807,995	13,846,022	13,762,084
Diluted	16,605,285	16,444,749	16,578,535	16,404,305

The accompanying notes to interim condensed consolidated financial statements are an integral part of these consolidated statements.

NATIONAL HEALTHCARE CORPORATION
Interim Condensed Consolidated Statements of Comprehensive Income
(Unaudited – in thousands)

	Three Months Ended September 30		Nine Months Ended September 30	
	2012	2011	2012	2011
Net Income	\$ 17,233	\$ 17,211	\$ 43,523	\$ 49,546
Other Comprehensive Income (Loss):				
Unrealized gains (losses) on investments in marketable securities	1,223	(4,529)	14,243	(3,992)
Income tax (expense) benefit related to items of other comprehensive income	(465)	1,786	(5,524)	1,599
Other comprehensive income (loss), net of tax	758	(2,743)	8,719	(2,393)
Comprehensive Income	\$ 17,991	\$ 14,468	\$ 52,242	\$ 47,153

NATIONAL HEALTHCARE CORPORATION
Interim Condensed Consolidated Balance Sheets
(in thousands)

	September 30, 2012 <i>(unaudited)</i>	December 31, 2011
Assets		
Current Assets:		
Cash and cash equivalents	\$ 83,707	\$ 61,008
Restricted cash and cash equivalents	35,917	50,587
Marketable equity securities	98,000	85,051
Restricted marketable securities	109,027	83,625
Accounts receivable, less allowance for doubtful accounts of \$3,475 and \$3,713, respectively	63,080	69,635
Inventories	6,479	7,419
Prepaid expenses and other assets	1,727	1,082
Federal income tax receivable	-	3,779
Total current assets	<u>397,937</u>	<u>362,186</u>
Property and Equipment:		
Property and equipment, at cost	669,084	659,523
Accumulated depreciation and amortization	<u>(247,241)</u>	<u>(229,872)</u>
Net property and equipment	<u>421,843</u>	<u>429,651</u>
Other Assets:		
Deposits	156	397
Goodwill	17,600	20,320
Notes receivable	22,113	22,449
Deferred income taxes	10,353	10,167
Investments in limited liability companies	<u>36,091</u>	<u>20,502</u>
Total other assets	<u>86,313</u>	<u>73,835</u>
Total assets	<u>\$ 906,093</u>	<u>\$ 865,672</u>

The accompanying notes to interim condensed consolidated financial statements are an integral part of these consolidated statements.

The interim condensed consolidated balance sheet at December 31, 2011 is taken from the audited consolidated financial statements at that date.

NATIONAL HEALTHCARE CORPORATION
Interim Condensed Consolidated Balance Sheets
(in thousands, except share and per share amounts)

	September 30, 2012 <i>(unaudited)</i>	December 31, 2011
Liabilities and Stockholders' Equity		
Current Liabilities:		
Trade accounts payable	\$ 5,436	\$ 9,834
Accrued payroll	50,275	54,063
Amounts due to third party payors	18,758	16,807
Accrued risk reserves	103,202	98,732
Deferred income taxes	19,937	14,526
Other current liabilities	14,748	15,583
Dividends payable	6,413	6,362
Total current liabilities	<u>218,769</u>	<u>215,907</u>
Long-Term Debt	10,000	10,000
Other Noncurrent Liabilities	13,576	16,244
Deferred Revenue	11,246	11,785
Stockholders' Equity:		
Series A Convertible Preferred Stock; \$.01 par value; 25,000,000 shares authorized; 10,838,412 and 10,838,490 shares, respectively, issued and outstanding; stated at liquidation of \$15.75 per share	170,514	170,515
Common stock, \$.01 par value; 30,000,000 shares authorized; 13,992,906 and 13,862,738 shares, respectively, issued and outstanding	139	138
Capital in excess of par value	146,797	139,183
Retained earnings	289,631	265,198
Accumulated other comprehensive income	45,421	36,702
Total stockholders' equity	<u>652,502</u>	<u>611,736</u>
Total liabilities and stockholders' equity	<u>\$ 906,093</u>	<u>\$ 865,672</u>

The accompanying notes to interim condensed consolidated financial statements are an integral part of these consolidated statements.

The interim condensed consolidated balance sheet at December 31, 2011 is taken from the audited consolidated financial statements at that date.

NATIONAL HEALTHCARE CORPORATION
Interim Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30	
	2012	2011
	<i>(in thousands)</i>	
Cash Flows From Operating Activities:		
Net income	\$ 43,523	\$ 49,546
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	22,168	21,344
Provision for doubtful accounts receivable	1,773	1,689
Equity in earnings of unconsolidated investments	(10,079)	(7,203)
Distributions from unconsolidated investments	6,301	4,232
Gains on sale of restricted marketable securities	(934)	(399)
Deferred income taxes	(299)	680
Stock-based compensation	1,925	2,253
Changes in operating assets and liabilities:		
Restricted cash and cash equivalents	(6,270)	(8,027)
Accounts receivable	2,971	7,995
Income tax receivable	3,779	—
Inventories	940	611
Prepaid expenses and other assets	(672)	(950)
Trade accounts payable	(4,288)	(1,498)
Accrued payroll	(3,386)	(2,660)
Amounts due to third party payors	2,238	670
Other current liabilities and accrued risk reserves	3,635	(12,319)
Entrance fee deposits	(1,498)	(1,343)
Other noncurrent liabilities	(2,668)	(1,907)
Deferred income	959	1,060
Net cash provided by operating activities	<u>60,118</u>	<u>53,774</u>
Cash Flows From Investing Activities:		
Additions to property and equipment	(14,888)	(17,881)
Acquisition of non-controlling interest in hospice business	(7,500)	—
Collections of notes receivable, net	336	1,573
Change in restricted cash and cash equivalents	20,940	10,901
Purchase of restricted marketable securities	(65,778)	(48,233)
Sale of restricted marketable securities	42,604	35,858
Net cash used in investing activities	<u>(24,286)</u>	<u>(17,782)</u>
Cash Flows From Financing Activities:		
Tax expense from stock-based compensation	(271)	(40)
Dividends paid to preferred stockholders	(6,503)	(6,503)
Dividends paid to common stockholders	(12,536)	(11,810)
Issuance of common shares	5,960	7,152
Change in deposits	217	(111)
Net cash used in financing activities	<u>(13,133)</u>	<u>(11,312)</u>
Net Increase in Cash and Cash Equivalents	<u>22,699</u>	<u>24,680</u>
Cash and Cash Equivalents, Beginning of Period	<u>61,008</u>	<u>28,478</u>
Cash and Cash Equivalents, End of Period	<u>\$ 83,707</u>	<u>\$ 53,158</u>

The accompanying notes to interim condensed consolidated financial statements are an integral part of these consolidated statements.

Section C Economic Feasibility – 4

Historical & Projected Data Charts w/Assumptions

HISTORICAL DATA CHART

Give information for the last three (3) years for which complete data are available for the facility or agency. The fiscal year begins in _____ (Month).

	2010	2011	2012
A. Utilization Data (Specify unit of measure) Patient Days	5,899	6,265	5,939
B. Revenue from Services to Patients			
1. Inpatient Services	\$ 12,818,641	\$ 15,941,200	\$ 16,498,486
2. Outpatient Services			
3. Emergency Services			
4. Other Operating Revenue (Specify) _____			
Gross Operating Revenue	\$ 12,818,641	\$ 15,941,200	\$ 16,498,486
C. Deductions for Operating Revenue			
1. Contractual Adjustments	\$ (10,191,049)	\$ (13,476,711)	\$ (14,411,057)
2. Provision for Charity Care			
3. Provisions for Bad Debt			
Total Deductions	\$ (10,191,049)	\$ (13,476,711)	\$ (14,411,057)
NET OPERATING REVENUE	\$ 2,627,592	\$ 2,464,489	\$ 2,087,429
D. Operating Expenses			
1. Salaries and Wages	\$ 2,829,501	\$ 3,192,707	\$ 2,884,411
2. Physician's Salaries and Wages (Medical Services)			
3. Supplies			
4. Taxes			
5. Depreciation			
6. Rent			
7. Interest, other than Capital			
8. Management Fees:			
a. Fees to Affiliates			
a. Fees to Non-Affiliates	2,890,182	2,952,251	2,308,426
9. Other Expenses (Specify) _____			
Total Operating Expenses	\$ 5,719,683	\$ 6,144,958	\$ 5,192,837
E. Other Revenue (Expenses)--Net (Specify) _____			
NET OPERATING INCOME (LOSS)	\$ (3,092,091)	\$ (3,680,469)	\$ (3,105,408)
F. Capital Expenditures			
1. Retirement of Principal			
2. Interest			
Total Capital Expenditures	\$ -	\$ -	\$ -
NET OPERATING INCOME (LOSS) LESS CAPITAL EXPENDITURES	\$ (3,092,091)	\$ (3,680,469)	\$ (3,105,408)

2012 DEC 12 PM 2 58
PROJECTED DATA CHART

Give information for the two (2) years following completion of this proposal. The fiscal year begins in November (Month).

	<u>Mar-16</u>	<u>Mar-17</u>
A. Utilization Data (Specify unit of measure) (Patient Days)	8,741	17,870
(Specify unit of measure) (% Occupancy)	46.05%	94.15%
B. Revenue from Services to Patients		
1. Inpatient Services	\$5,568,609	\$11,561,689
2. Outpatient Services		
3. Emergency Services		
4. Other Operating Revenue (Specify)		
Gross Operating Revenue	\$ 5,568,609	\$ 11,561,689
C. Deductions for Operating Revenue		
1. Contractual Adjustments	\$ (1,419,297)	\$ (2,909,266)
2. Provision for Charity Care	(3,872)	(8,075)
3. Provisions for Bad Debt	(6,494)	(13,539)
Total Deductions	\$ (1,429,663)	\$ (2,930,880)
NET OPERATING REVENUE	\$ 4,138,946	\$ 8,630,809
D. Operating Expenses		
1. Salaries and Wages	\$ 1,768,811	\$ 2,472,357
2. Physician's Salaries and Wages	60,001	62,700
3. Supplies	49,656	104,561
4. Taxes	68,409	71,487
5. Depreciation	269,145	269,145
6. Rent		
7. Interest, other than Capital		
8. Management Fees		
a. Fees to Affiliates	124,168	258,924
b. Fees to Non-Affiliates		
9. Other Expenses (Specify) - SEE ATTACHED SCHEDULE	2,904,204	5,166,746
Total Operating Expenses	\$ 5,244,394	\$ 8,405,920
E. Other Revenue (Expenses)--Net (Specify)		
NET OPERATING INCOME (LOSS)	\$ (1,105,448)	\$ 224,889
F. Capital Expenditure		
1. Retirement of Principal		
2. Interest		
Total Capital Expenditures	\$ -	\$ -
NET OPERATING INCOME (LOSS)	\$ (1,105,448)	\$ 224,889
LESS CAPITAL EXPENDITURES		

PROJECTED DATA CHART SUPPLEMENT

NHC at Indian Path

PROJECTED DATA

YEAR 1

2012 DEC 12 PM 2 58

	Salaries	Other	Total
Inhalation Therapy		\$ 8,853	\$ 8,853
Occupational Therapy		551,018	551,018
Physical Therapy		483,153	483,153
Speech Pathology		149,684	149,684
Pharmacy		439,394	439,394
Lab and Radiology		38,878	38,878
IV Therapy		2,502	2,502
Nursing Service	1,185,378	395,185	1,580,563
Social Service	40,143	38,471	78,614
Activities	40,143	8,361	48,504
Dietary	141,989	115,510	257,499
Plant Operations	42,960	266,663	309,623
Housekeeping	69,503	25,234	94,737
Laundry and Linen	25,306	12,089	37,395
Medical Records	49,925	21,754	71,679
Administrative and General	173,464	347,455	520,919
Totals	<u>\$1,768,811</u>	<u>\$2,904,204</u>	<u>\$ 4,673,015</u>

PROJECTED DATA CHART SUPPLEMENT

NHC at Indian Point
2012-2013
PROJECTED DATA
YEAR 2

	<u>Salaries</u>	<u>Other</u>	<u>Total</u>
Inhalation Therapy		\$ 18,643	\$ 18,643
Occupational Therapy		1,043,869	1,043,869
Physical Therapy		1,090,513	1,090,513
Speech Pathology		306,868	306,868
Pharmacy		925,240	925,240
Lab and Radilology		81,865	81,865
IV Therapy		5,269	5,269
Nursing Service	\$ 1,601,243	516,949	2,118,192
Social Service	97,027	19,878	116,905
Activities	41,146	12,834	53,980
Dietary	173,920	219,471	393,391
Plant Operations	44,034	279,528	323,562
Housekeeping	128,550	52,325	180,875
Laundry and Linen	37,076	22,335	59,411
Medical Records	99,665	45,209	144,874
Adminstrative and General	<u>249,696</u>	<u>525,950</u>	<u>775,646</u>
Totals	<u>\$2,472,357</u>	<u>\$5,166,746</u>	<u>\$ 7,639,103</u>

NHC at Indian Path
OCCUPANCY SUMMARY
FILL RATE = 4 NET PATIENTS PER MONTH

MONTH	CENSUS AT BEGINNING OF MONTH	NET INCREASE IN PATIENTS	CENSUS AT END OF MONTH	AVERAGE CENSUS FOR MONTH	DAYS IN MONTH	PATIENT DAYS	PATIENT DAYS AVAILABLE	% OCCUPANCY
Apr-15	0.00	4.00	4.00	2.00	30	60	1,560	3.85%
May-15	4.00	4.00	8.00	6.00	31	186	1,612	11.54%
Jun-15	8.00	4.00	12.00	10.00	30	300	1,560	19.23%
Jul-15	12.00	4.00	16.00	14.00	31	434	1,612	26.92%
Aug-15	16.00	4.00	20.00	18.00	31	558	1,612	34.62%
Sep-15	20.00	4.00	24.00	22.00	30	660	1,560	42.31%
Oct-15	24.00	4.00	28.00	26.00	31	806	1,612	50.00%
Nov-15	28.00	4.00	32.00	30.00	30	900	1,560	57.69%
Dec-15	32.00	4.00	36.00	34.00	31	1,054	1,612	65.38%
Jan-16	36.00	4.00	40.00	38.00	31	1,178	1,612	73.08%
Feb-16	40.00	4.00	44.00	42.00	28	1,176	1,456	80.77%
Mar-16	44.00	4.00	48.00	46.00	31	1,429	1,612	88.65%
YEAR 1	0.00	48.00	48.00		365	8,741	18,980	46.05%
Apr-16	48.00	1.00	49.00	48.50	30	1,455	1,560	93.27%
May-16	49.00	0.00	49.00	49.00	31	1,519	1,612	94.23%
Jun-16	49.00	0.00	49.00	49.00	30	1,470	1,560	94.23%
Jul-16	49.00	0.00	49.00	49.00	31	1,519	1,612	94.23%
Aug-16	49.00	0.00	49.00	49.00	31	1,519	1,612	94.23%
Sep-16	49.00	0.00	49.00	49.00	30	1,470	1,560	94.23%
Oct-16	49.00	0.00	49.00	49.00	31	1,519	1,612	94.23%
Nov-16	49.00	0.00	49.00	49.00	30	1,470	1,560	94.23%
Dec-16	49.00	0.00	49.00	49.00	31	1,519	1,612	94.23%
Jan-17	49.00	0.00	49.00	49.00	31	1,519	1,612	94.23%
Feb-17	49.00	0.00	49.00	49.00	28	1,372	1,456	94.23%
Mar-17	49.00	0.00	49.00	49.00	31	1,519	1,612	94.23%
YEAR 2	48.00	1.00	49.00		365	17,870	18,980	94.15%

PROJECTED REVENUES (TOTAL FACILITY) FOR NURSING HOME PROJECTS PAGE 1	PROJECTED OPERATING YEAR 1 ENDING										Mar-16	
	PVT -PVT (1)	Semi-Private (2)	SP - Comp (3)	ICF Mcaid (3A)	MEDICARE (4)	Managed Care (5)	Hospice (6)	MEDICARE PART B (7)	MISC (8)	RESTRICTED GRANTS & DONATIONS (9)	NON NURSING HOME REVENUE (10)	TOTAL (11)
1 ROUTINE SERVICES					1,311,250	874,000	-					2,185,250
2 PHYSICAL THERAPY					937,125	537,580		1,563				1,476,268
3 SPEECH THERAPY					35,453	9,286		1,413				46,152
4 OCCUPATIONAL THERAPY					825,826	451,694		239				1,277,759
5 AUDIOLOGICAL THERAPY												
6 MEDICAL SUPPLIES					36,200	22,365						58,565
7 PHARMACY					286,649	173,652						460,301
8 LAB					13,605	7,723						21,328
9 RADIOLOGY/MEDICAL SERVICES					17,000	4,503						21,503
10 OTHER - INHALATION THERAPY					12,265	3,993						16,258
11 UNRESTRICTED GRANTS/DONATIONS					1,266	832						2,098
12 OUTPATIENT CLINIC												
13 OTHER NURSING HOME REVENUE												
14 ALLOWANCE FOR BAD DEBTS												
15 CONTRACTUAL ADJUSTMENTS					(6,486)	(3,872)			3,127			3,127
16 PRIVATE ROOM REVENUE					(882,383)	(536,914)						(10,366)
17 TOTAL NURSING HOME REVENUE					2,587,770	1,544,842		3,207	3,127			4,138,946
18 TOTAL RESTRICTED GRANTS/DONATIONS												
19 NON NURSING HOME REVENUES												
20 TOTAL REVENUE					2,587,770	1,544,842		3,207	3,127			4,138,946
22 % OF NURSING HOME REVENUE					62.52%	37.32%		0.08%	0.08%			100.00%
23 PATIENT DAYS					5,245	3,496						8,741
24 % OF PATIENT DAYS					60.00%	40.00%						100.00%
25 REVENUE PER PATIENT DAY	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	493.38	441.89	#DIV/0!		0.36			473.51
26 TOTAL NUMBER NURSING HOME BEDS	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!								52
27 TOTAL NUMBER OTHER BEDS	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!								
28 AVERAGE OCCUPANCY NURSING HOME												46.05%
29 AVERAGE OCCUPANCY OTHER												

PROJECTED REVENUES (TOTAL FACILITY) FOR NURSING HOME PROJECTS PAGE 2	#DIV/OI	PROJECTED OPERATING YEAR 2 ENDING										Mar-17	
		PVT -PVT (1)	Semi-Private (2)	SP - Comp (3)	ICF Mcaid (3A)	MEDICARE (4)	Managed Care (5)	Hospice (6)	MEDICARE PART B (7)	MISC (8)	RESTRICTED GRANTS & DONATIONS (9)	NON NURSING HOME REVENUE (10)	TOTAL (11)
1 ROUTINE SERVICES						2,787,720	1,858,480	-					4,646,200
2 PHYSICAL THERAPY						1,915,848	1,099,022		3,195				3,018,065
3 SPEECH THERAPY						72,481	18,984		2,889				94,354
4 OCCUPATIONAL THERAPY						1,688,309	923,438		489				2,612,236
5 AUDIOLOGICAL THERAPY													
6 MEDICAL SUPPLIES						74,007	45,722						119,729
7 PHARMACY						586,022	355,013						941,035
8 LAB						27,813	15,790						43,603
9 RADIOLOGY/MEDICAL SERVICES						34,754	9,206						43,960
10 OTHER - INHALATION THERAPY						25,075	8,163						33,238
10 OTHER ANCILLARY - IV THERAPY						2,588							2,588
11 UNRESTRICTED GRANTS/DONATIONS													
12 OUTPATIENT CLINIC													
13 OTHER NURSING HOME REVENUE													
14 ALLOWANCE FOR BAD DEBTS						(13,523)	(8,075)						6,681
15 CONTRACTUAL ADJUSTMENTS						(1,805,314)	#####		(16)				(21,614)
16 PRIVATE ROOM REVENUE													(2,909,266)
17 TOTAL NURSING HOME REVENUE						5,395,780	3,221,791						8,630,809
18 TOTAL RESTRICTED GRANTS/DONATIONS									6,557				
19 NON NURSING HOME REVENUES													
20 TOTAL REVENUE						5,395,780	3,221,791		6,557				8,630,809
22 % OF NURSING HOME REVENUE						62.52%	37.33%		0.08%				100.00%
23 PATIENT DAYS						10,722	7,148						17,870
24 % OF PATIENT DAYS						60.00%	40.00%						100.00%
25 REVENUE PER PATIENT DAY						503.24	450.73						482.98
26 TOTAL NUMBER NURSING HOME BEDS													
27 TOTAL NUMBER OTHER BEDS													
28 AVERAGE OCCUPANCY NURSING HOME													
29 AVERAGE OCCUPANCY OTHER													
							102%						94.15%
													52

NHC at Indian Path

ESTIMATED PPS PAYMENTS - 10/1/12 - 9/30/13

<u>RUGS Category</u>	<u>Therapy Minutes</u>	<u>Rate</u>	<u>% of Medicare Residents in RUGS Category</u>	<u>Estimated Medicare Reimbursement</u>
RUX	720	627.51	0.18%	1.11
RUL	720	614.73	0.16%	1.00
RVX	500	551.35	0.00%	-
RVL	500	497.71	0.00%	-
RHX	325	493.77	0.00%	-
RHL	325	442.69	0.00%	-
RMX	150	448.72	0.00%	-
RML	150	412.97	0.00%	-
RLX	45	390.56	0.00%	-
RUC	720	485.77	31.59%	153.44
RUB	720	485.77	51.19%	248.66
RUA	720	412.98	10.23%	42.26
RVC	500	410.88	2.41%	9.91
RVB	500	359.81	2.39%	8.60
RVA	500	358.53	0.40%	1.42
RHC	325	353.31	0.16%	0.58
RHB	325	320.11	0.24%	0.77
RHA	325	284.35	0.00%	-
RMC	150	306.98	0.35%	1.09
RMB	150	289.11	0.26%	0.76
RMA	150	240.59	0.00%	-
RLB	45	293.52	0.00%	-
RLA	45	192.64	0.00%	-
ES3		540.77	0.00%	-
ES2		424.58	0.00%	-
ES1		379.88	0.00%	-
HE2		367.11	0.00%	-
HE1		305.82	0.00%	-
HD2		344.13	0.00%	-
HD1		287.95	0.10%	0.29
HC2		324.98	0.00%	-
HC1		272.62	0.00%	-
HB2		321.14	0.00%	-
HB1		270.07	0.00%	-
LE2		333.91	0.00%	-
LE1		280.28	0.00%	-
ID2		321.14	0.00%	-
ID1		270.07	0.02%	0.06
IC2		282.84	0.00%	-
IC1		239.42	0.01%	0.02
IB2		268.79	0.00%	-
IB1		229.21	0.00%	-
CE2		298.16	0.00%	-
CE1		275.17	0.02%	0.06
CD2		282.84	0.00%	-
CD1		259.85	0.11%	0.29
CC2		248.36	0.00%	-
CC1		230.48	0.11%	0.26
CB2		230.48	0.00%	-
CB1		213.88	0.01%	0.02
CA2		196.01	0.00%	-
CA1		183.24	0.00%	-
BB2		207.50	0.00%	-
BB1		198.56	0.00%	-
BA2		173.02	0.00%	-
BA1		165.36	0.00%	-
PE2		275.17	0.00%	-
PE1		262.40	0.00%	-
PD2		259.85	0.00%	-
PD1		247.08	0.01%	0.02
PC2		224.10	0.00%	-
PC1		213.88	0.02%	0.05
PB2		190.90	0.00%	-
PB1		183.24	0.02%	0.04
PA2		158.98	0.00%	-
PA1		152.59	0.00%	-
DEFAULT RATE		152.59	0.00%	-
Projected Medicare Reimbursement			100.00%	470.71

NHC at Indian Path
ESTIMATED PPS PAYMENTS

<u>PROJECTED PPS RATE</u>	<u>PERIOD</u>	2.00%
470.71	10/1/12 - 9/30/13	
480.12	10/1/13 - 9/30/14	2% Increase
489.72	10/1/14 - 9/30/15	2% Increase
499.51	10/1/15- 9/30/16	2% Increase
509.50	10/1/16 - 9/30/17	2% Increase

YEAR 1 = 4/1/15 - 3/31/16

	<u># OF MONTHS IN PERIOD</u>	<u>PPS RATE FOR PERIOD</u>	<u>YEAR 1 PROJECTED PPS RATE</u>
10/1/14 - 9/30/15	6	489.72	244.86
10/1/15- 9/30/16	6	499.51	249.76
	<u>12</u>		<u>494.62</u>

YEAR 2 = 4/1/16 - 3/31/17

	<u># OF MONTHS IN PERIOD</u>	<u>PPS RATE FOR PERIOD</u>	<u>YEAR 2 PROJECTED PPS RATE</u>
10/1/15- 9/30/16	6	499.51	249.76
10/1/16 - 9/30/17	6	509.50	254.75
	<u>12</u>		<u>504.51</u>

NHC at Indian Path
52 Beds
Expense Projection
Year 1

			Amount In \$'s	Amount Per Day
INHALATION THERAPY			\$ 8,853.31	\$ 1.01
INHALATION THERAPY			\$ -	\$ -
TOTAL INHALATION THERAPY			8,853.31	1.01
MEDICAL SUPPLIES			\$ 19,246.33	2.20
MEDICAL SUPPLIES			-	-
MEDICAL SUPPLIES			19,246.33	2.20
PHARMACY			\$ 430,732.78	49.28
PHARMACY			-	-
TOTAL PHARMACY			430,732.78	49.28
IV THERAPY			\$ 2,502.02	0.29
IV THERAPY			-	-
TOTAL IV THERAPY			2,502.02	0.29
LABORATORY			\$ 18,187.78	2.08
RADIOLOGY/Medical Services			\$ 20,689.80	2.37
PHYSICAL THERAPY	FTE	108.36% Rate		
Purchased Service - RPT	1.50	64.62	201,624.80	23.07
Purchased Service - LPTA	2.00	54.62	227,233.07	26.00
Purchased Service - Aides			-	-
ETO & SICK DAYS - 10%			-	-
PAYROLL TAXES - 8%			34,308.63	3.93
OTHER FRINGE - 3%			12,865.74	1.47
OTHER			7,121.14	0.81
TOTAL PHYSICAL THERAPY			483,153.37	55.27
OCCUPATIONAL THERAPY				
Purchased Service - OTR	2.00	64.62	268,833.07	30.76
Purchased Service - COTA	2.00	54.62	227,233.07	26.00
Purchased Service - Aides			-	-
ETO & SICK DAYS - 10%			-	-
PAYROLL TAXES - 8%			39,685.29	4.54
OTHER FRINGE - 3%			14,881.98	1.70
OTHER			384.93	0.04
TOTAL OCCUPATIONAL THERAPY			551,018.33	63.04
SPEECH THERAPY				
Purch Serv - SLP-CCC	1.00	64.62	134,416.53	15.38
Purch Serv - STA			-	-
Purchased Service - Aides			-	-
ETO & SICK DAYS - 10%			-	-
PAYROLL TAXES - 8%			10,753.32	1.23
OTHER FRINGE - 3%			4,032.50	0.46
OTHER			481.16	0.06
TOTAL SPEECH THERAPY			149,683.51	17.12
TOTAL ANCILLARY EXPENSES			1,684,067.24	192.66
NURSING SERVICE				
ICF RN			\$ 9,175.20	\$1.05
ICF LPN			3,165.60	0.36
ICF AIDES			6,251.88	0.72
SNF RN			660,420.00	75.55
SNF LPN			174,963.60	20.02
SNF AIDES			331,401.60	37.91
REHAB AIDES			-	-
PAYROLL TAXES (8%)			94,830.23	10.85
OTHER FRINGE (3%)			35,561.34	4.07
NURSING ADMIN SUPPLIES			19,246.33	2.20
PROFESSIONAL LIABILITY INSURANCE			204,360.00	23.38
EDUCATION			2,694.49	0.31
SMALL EQUIPMENT/REPAIRS			9,623.16	1.10
OTHER			28,869.49	3.30
TOTAL NURSING SERVICE			1,580,562.91	180.82

NHC at Indian Path
52 Beds
Expense Projection
Year 1

			Amount In \$'s	Amount Per Day
ROUTINE CENTRAL SUPPLIES			30,409.20	3.48
NON LEGEND DRUGS			8,660.85	0.99
SOCIAL SERVICE	FTE	108.36% Rate		
SALARIES - Director	1.00	19.17	39,873.60	4.56
SALARIES - Assistant	1.00	13.17	27,393.60	3.13
PAYROLL TAXES - 8%			5,381.38	0.62
OTHER FRINGE - 1%			672.67	0.08
MANAGEMENT FEE			-	-
OTHER			5,292.74	0.61
TOTAL SOCIAL SERVICE			78,613.99	8.99
ACTIVITIES	FTE	RATE		
SALARIES - Director	1.00	19.30	\$40,142.53	\$4.59
SALARIES - Assistant			-	-
PAYROLL TAXES - 8%			3,211.40	0.37
OTHER FRINGE - 3%			1,204.28	0.14
MANAGEMENT FEE			-	-
OTHER			3,945.50	0.45
TOTAL ACTIVITIES			48,503.71	5.55
DIETARY	FTE	Rate		
SALARIES - Reg Dietitian				
SALARIES - Supervisor	1.00	29.07	60,473.00	6.92
SALARIES - Cooks	2.10	13.14	53,826.01	6.16
SALARIES - Aides	1.40	10.14	27,689.56	3.17
ETO & SICK DAYS - 8%			11,359.09	1.30
PAYROLL TAXES - 8%			11,359.09	1.30
OTHER FRINGE @ 3%			4,259.66	0.49
FOOD			72,173.72	8.26
MANAGEMENT FEE			-	-
SUPPLIES			5,773.90	0.66
OTHER			10,585.48	1.21
TOTAL DIETARY			257,499.49	29.46
PLANT OPERATIONS				
SALARIES - Supervisor	1.00	20.65	\$42,959.95	\$4.91
SALARIES - Assistant		13.94	-	-
PAYROLL TAXES - 8%			3,436.80	0.39
OTHER FRINGE - 2%			859.20	0.10
UTILITIES			242,640.00	27.76
REPAIRS & MAINTENANCE			4,811.58	0.55
GROUND MAINTENANCE			14,434.74	1.65
MANAGEMENT FEE			-	-
OTHER			481.16	0.06
TOTAL PLANT OPERATIONS			309,623.42	35.42
HOUSEKEEPING				
SALARIES - Supervisor	0.50	13.07	13,591.21	\$1.55
SALARIES - Staff	2.80	10.24	55,911.60	6.40
ETO & SICK - 8%			5,560.23	0.64
PAYROLL TAXES - 8%			5,560.23	0.64
OTHER FRINGE @ 3%			2,085.08	0.24
SUPPLIES			9,623.16	1.10
MANAGEMENT FEE			-	-
OTHER			2,405.79	0.28
TOTAL HOUSEKEEPING			94,737.30	10.84

NHC at Indian Path
52 Beds
Expense Projection
Year 1

			Amount In \$'s	Amount Per Day
LAUNDRY AND LINEN				
SALARIES - Supervisor	0.50	13.07	13,591.21	1.55
SALARIES - Staff	0.70	8.58	11,714.81	1.34
ETO & SICK - 8%			2,024.48	0.23
PAYROLL TAXES - 8.25%			2,087.75	0.24
OTHER FRINGE @ 3%			759.18	0.09
SUPPLIES & LINEN			5,773.90	0.66
MANAGEMENT FEE				-
OTHER			1,443.47	0.17
TOTAL LAUNDRY & LINEN			37,394.80	4.28
MEDICAL SERVICES			60,000.00	6.86
MEDICAL RECORDS				
SALARIES - Director	1.00	24.00	49,924.60	5.71
SALARIES - Staff		22.75	-	-
PAYROLL TAXES - 8%			3,993.97	0.46
OTHER FRINGE @ 3%			1,497.74	0.17
SUPPLIES			1,828.40	0.21
MANAGEMENT FEE				-
OTHER			14,434.74	1.65
TOTAL MEDICAL RECORDS			71,679.45	8.20
ADMINISTRATIVE AND GENERAL				
SALARIES - Administrator	1.00	36.06	125,000.00	14.30
SALARIES - Bookkeeper	1.00	18.61	38,700.01	4.43
SALARIES - Bookkeeper		14.61	-	-
SALARIES - Secretary		11.74	-	-
SALARIES - Receptionist	0.40	11.74	9,764.03	1.12
PAYROLL TAXES			13,877.12	1.59
OTHER FRINGE			39,896.73	4.56
HEALTH INSURANCE			105,469.87	12.07
MANAGEMENT FEES			124,168.00	14.21
FEES MEMBERSHIP & DUES			192.46	0.02
TELEPHONE			15,000.00	1.72
EDUCATION			12,000.00	1.37
SUPPLIES			2,790.72	0.32
REPAIRS & MAINT - SMALL EQUIPMENT			2,405.79	0.28
STATE TAX FEE			117,000.00	13.39
OTHER			28,869.49	3.30
TOTAL ADMINISTRATIVE EXPENSES			635,134.23	72.66
TOTAL OPERATING EXPENSES			4,896,886.59	560.22
NET OPERATING INCOME			(757,940.21)	(86.71)
FIXED EXPENSES				
NHR LEASE PAYMENT			-	-
INTEREST - WORKING CAPITAL			-	-
DEPRECIATION			269,145.00	30.79
PROPERTY INSURANCE			9,953.00	1.14
PROPERTY TAXES			68,409.00	7.83
TOTAL FIXED EXPENSES			347,507.00	39.76
TOTAL NURSING HOME COSTS			\$5,244,393.59	\$599.98

Mar-16

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REHAB AIDES						5	*	5.00%	-	=	30	= \$
	(FTE's)		% OF TURNOVER	ANNUAL ORIENTATION HOURS	DAILY HOURS	AVG PAY RATE	DAILY TOTAL					
CATEGORY	NUMBER OF EMPLOYEES	NEW EMPLOYEES										
RN	8.40	8.40	100.00%	336.00	0.92	\$27.69	25.49 x	30.00			(A) TOTAL HRS.(ICF, SNF, REHAB)	148.78
LPN	4.20	4.20	100.00%	168.00	0.46	\$19.10	8.79 x	30.00			(B) TOTAL ORIENTATION HOURS	2.68
CNA	12.60	12.60	100.00%	472.50	1.29	\$13.42	17.37 x	30.00			(C) TOTAL "DIRECT" HOURS	151.46
REHAB AIDES	25.20	25.20	100.00%	976.50	2.68		x	30.00			(D) TOTAL "DIRECT" HOURS PPD	6.32
											(E) TOTAL ETO / SICK HOURS	9.00
											(F) TOTAL HRS. (C+E)	160.46
											(G) TOTAL PATIENT DAYS	23.95
											(H) TOTAL HRS. PPD..	6.70
											TOTAL NURSING SALARIES	\$ 98,781.49

NHC at Indian Path

RUGS Category	Therapy Minutes	% of Medicare Residents in RUGS Category	Estimated Year 1 Medicare Part A Days	Estimated Patient Days in RUG Category	Therapy Minutes Required Per Patient Day	Estimated Minutes of Therapy Required
RUX	720	0.18%	5,245	9	103	927
RUL	720	0.16%	5,245	9	103	927
RVX	500		5,245	-	71	-
RVL	500		5,245	-	71	-
RHX	325		5,245	-	46	-
RHL	325		5,245	-	46	-
RMX	150		5,245	-	21	-
RML	150		5,245	-	21	-
RLX	45		5,245	-	6	-
RUC	720	31.59%	5,245	1,657	103	170,671
RUB	720	51.19%	5,245	2,685	103	276,555
RUA	720	10.23%	5,245	537	103	55,311
RVC	500	2.41%	5,245	126	71	8,946
RVB	500	2.39%	5,245	125	71	8,875
RVA	500	0.40%	5,245	21	71	1,491
RHC	325	0.16%	5,245	9	46	414
RHB	325	0.24%	5,245	13	46	598
RHA	325		5,245	-	46	-
RMC	150	0.35%	5,245	19	21	399
RMB	150	0.26%	5,245	14	21	294
RMA	150		5,245	-	21	-
RLB	45		5,245	-	6	-
RLA	45		5,245	-	6	-
ESTIMATED PART A RESIDENTS RECEIVING THERAPY				5,224		

ESTIMATED THERAPY MINUTES REQUIRED FOR PART A RESIDENTS **525,408**
ESTIMATED THERAPY STAFF REQUIRED FOR PART A RESIDENTS **4.21**

TOTAL MEDICARE RESIDENTS 14.37
TOTAL MANAGED CARE RESIDENTS 9.58
ADDITIONAL THERAPY STAFF FOR MANAGED CARE RESIDENTS **2.81**

ESTIMATED PART B AND PRIVATE THERAPY REVENUE \$ 3,207
ESTIMATED "FEE SCREEN AMOUNT" PER 15 MINUTE PART B TREATMENT 18.75
ESTIMATED PART B TREATMENTS (15 MINUTES PER TREATMENT) 171
ESTIMATED MINUTES REQUIRED FOR PART B TREATMENTS 2,565
ESTIMATED THERAPY STAFF REQUIRED FOR PART B TREATMENTS **0.02**
ESTIMATED TOTAL THERAPY STAFF REQUIRED FOR PART A, PART B AND MANAGED CARE 7.04
NON PRODUCTIVE FACTOR (20%) 1.41
TOTAL THERAPY STAFF REQUIRED **8.45**

PROPOSED THERAPY STAFF					
POSITION	HOURS PPD	PATIENT DAYS	BUDGETD HOURS	BUDGETED STAFF	
OTR	0.4759	24	4,160	2.00	
COTA	0.4759	24	4,160	2.00	
OT AIDES	-	24	-	-	
Purch Service		24			
RPT	0.3569	24	3,120	1.50	
LPTA	0.4759	24	4,160	2.00	
PT AIDES	-	24	-		
Purch Service		24			
SLP - CCC	0.2380	24	2,080	1.00	
STA	-	24	-	-	
ST AIDE	-	24	-	-	
Purch Service		24			
TOTAL THERAPY STAFF PER BUDGET				8.50	

NHC at Indian Path
52 Beds
Expense Projection
Year 2

			Amount In \$'s	Amount Per Day
INHALATION THERAPY			\$ 18,642.59	\$ 1.04
INHALATION THERAPY			-	-
TOTAL INHALATION THERAPY			\$ 18,642.59	\$ 1.04
MEDICAL SUPPLIES			\$ 40,527.38	2.27
PHARMACY			\$ 907,002.71	50.76
PHARMACY			-	-
TOTAL PHARMACY			907,002.71	50.76
IV THERAPY - Medicare/Managed Care			\$ 5,268.56	0.29
IV THERAPY - Private/Medicaid			-	-
TOTAL IV THERAPY			5,268.56	0.29
LABORATORY			38,298.37	2.14
RADIOLOGY			43,566.93	2.44
PHYSICAL THERAPY	FTE	Rate		
Purchased Service - RPT	3.00	66.24	413,316.80	23.13
Purchased Service - LPTA	4.75	56.24	555,618.27	31.09
Purchased Service - Aides	-	-	-	-
ETO & SICK DAYS - 10%			-	-
PAYROLL TAXES - 8%			77,514.81	4.34
OTHER FRINGE - 3%			29,068.05	1.63
OTHER			14,995.13	0.84
TOTAL PHYSICAL THERAPY			1,090,513.06	61.02
OCCUPATIONAL THERAPY				
Purchased Service - OTR	3.00	66.24	413,316.80	23.13
Purchased Service - COTA	4.50	56.24	526,375.20	29.46
Purchased Service - Aides	-	-	-	-
ETO & SICK DAYS - 10%			-	-
PAYROLL TAXES - 8%			75,175.36	4.21
OTHER FRINGE - 3%			28,190.76	1.58
OTHER			810.55	0.05
TOTAL OCCUPATIONAL THERAPY			1,043,868.67	58.41
SPEECH THERAPY				
Purch Serv - SLP-CCC	2.00	66.24	275,544.53	15.42
Purch Serv - STA	-	-	-	-
Purchased Service - Aides	-	-	-	-
ETO & SICK DAYS - 10%			-	-
PAYROLL TAXES - 8%			22,043.56	1.23
OTHER FRINGE - 3%			8,266.34	0.46
OTHER			1,013.18	0.06
TOTAL SPEECH THERAPY			306,867.61	17.17
TOTAL ANCILLARY EXPENSES			3,494,555.88	195.55
NURSING SERVICE				
ICF RN			\$13,587.24	\$0.76
ICF LPN			4,702.32	0.26
ICF AIDES			12,104.28	0.68
SNF RN			739,962.00	41.41
SNF LPN			179,337.60	10.04
SNF AIDES			651,549.60	36.46
REHAB AIDES			-	-
PAYROLL TAXES - 8%			128,099.44	7.17
OTHER FRINGE - 3%			48,037.29	2.69
NURSING ADMIN SUPPLIES			40,527.38	2.27
PROFESSIONAL LIABILITY INSURANCE			213,556.20	11.95
EDUCATION			5,673.83	0.32
SMALL EQUIPMENT/REPAIRS			20,263.69	1.13
OTHER			60,791.07	3.40
TOTAL NURSING SERVICE			2,118,191.94	118.53

NHC at Indian Path
52 Beds
Expense Projection
Year 2

			Amount In \$'s	Amount Per Day
ROUTINE CENTRAL SUPPLIES			64,033.26	3.58
NON LEGEND DRUGS			18,237.32	1.02
SOCIAL SERVICE	FTE	111.07% Rate		
SALARIES - Director	1.00	19.65	\$40,870.44	\$2.29
SALARIES - Assistant	2.00	13.50	56,156.88	3.14
PAYROLL TAXES - 8%			7,762.19	0.43
OTHER FRINGE - 1%			970.27	0.05
MANAGEMENT FEE				-
OTHER			11,145.03	0.62
TOTAL SOCIAL SERVICE			116,904.81	6.54
ACTIVITIES	FTE	RATE		
SALARIES - Director	1.00	19.78	\$41,146.09	\$2.30
SALARIES - Assistant				-
PAYROLL TAXES - 8%			3,291.69	0.18
OTHER FRINGE - 3%			1,234.38	0.07
MANAGEMENT FEE				-
OTHER			8,308.11	0.46
TOTAL ACTIVITIES			53,980.28	3.02
DIETARY	FTE	Rate		
SALARIES - Reg Dietitian				
SALARIES - Supervisor	1.00	29.80	61,984.82	3.47
SALARIES - Cooks	2.10	13.47	55,171.66	3.09
SALARIES - Aides	2.80	10.40	56,763.59	3.18
ETO & SICK DAYS - 8%			13,913.61	0.78
PAYROLL TAXES - 8%			13,913.61	0.78
OTHER FRINGE @ 3%			5,217.60	0.29
FOOD			151,977.67	8.50
MANAGEMENT FEE				-
SUPPLIES			12,158.21	0.68
OTHER			22,290.06	1.25
TOTAL DIETARY			393,390.82	22.01
PLANT OPERATIONS				
SALARIES - Supervisor	1.00	21.17	\$44,033.94	\$2.46
SALARIES - Assistant		14.28		-
PAYROLL TAXES - 8%			3,522.72	0.20
OTHER FRINGE - 2%			1,321.02	0.07
UTILITIES			253,558.80	14.19
REPAIRS & MAINTENANCE			5,028.10	0.28
GROUND MAINTENANCE			15,084.31	0.84
MANAGEMENT FEE				-
OTHER			1,013.18	0.06
TOTAL PLANT OPERATIONS			323,562.07	18.11
HOUSEKEEPING				
SALARIES - Supervisor	0.50	13.40	13,930.99	\$0.78
SALARIES - Staff	5.60	10.50	114,618.79	6.41
ETO & SICK - 8%			10,283.98	0.58
PAYROLL TAXES - 8%			10,283.98	0.58
OTHER FRINGE @ 5%			6,427.49	0.36
SUPPLIES			20,263.69	1.13
MANAGEMENT FEE				-
OTHER			5,065.92	0.28
TOTAL HOUSEKEEPING			180,874.84	10.12

NHC at Indian Path
52 Beds
Expense Projection
Year 2

			Amount In \$'s	Amount Per Day
LAUNDRY AND LINEN				
SALARIES - Supervisor	0.50	13.40	13,060.30	0.73
SALARIES - Staff	1.40	8.80	24,015.36	1.34
ETO & SICK - 8%			2,966.05	0.17
PAYROLL TAXES - 8.25%			3,058.74	0.17
OTHER FRINGE @ 3%			1,112.27	0.06
SUPPLIES & LINEN			12,158.21	0.68
MANAGEMENT FEE			-	-
OTHER			3,039.55	0.17
TOTAL LAUNDRY & LINEN			59,410.50	3.32
MEDICAL SERVICES			62,700.00	3.51
MEDICAL RECORDS				
SALARIES - Director	1.00	24.60	51,172.71	\$2.86
SALARIES - Staff	1.00	23.31	48,492.79	2.71
PAYROLL TAXES - 8%			7,973.24	0.45
OTHER FRINGE @ 3%			2,989.96	0.17
SUPPLIES			3,850.10	0.22
MANAGEMENT FEE			-	-
OTHER			30,395.53	1.70
TOTAL MEDICAL RECORDS			144,874.33	8.11
ADMINISTRATIVE AND GENERAL				
SALARIES - Administrator	1.00		175,000.00	\$9.79
SALARIES - Bookkeeper	1.00	19.07	39,667.51	2.22
SALARIES - Bookkeeper		14.97	-	-
SALARIES - Secretary		12.03	-	-
SALARIES - Receptionist	1.40	12.03	35,028.47	1.96
PAYROLL TAXES			19,975.68	1.12
OTHER FRINGE			57,430.08	3.21
HEALTH INSURANCE			222,090.03	12.43
MANAGEMENT FEES			258,924.00	14.49
FEES MEMBERSHIP & DUES			405.27	0.02
TELEPHONE			15,675.00	0.88
EDUCATION			12,540.00	0.70
TRAVEL			5,876.47	0.33
REPAIRS & MAINT - SMALL EQUIPMENT			5,065.92	0.28
STATE TAX FEE			115,700.00	6.47
OTHER			60,791.07	3.40
TOTAL ADMINISTRATIVE EXPENSES			1,024,169.50	57.31
TOTAL OPERATING EXPENSES			8,054,885.55	450.75
NET OPERATING INCOME			575,923.45	32.23
FIXED EXPENSES				
NHR LEASE PAYMENT			-	-
INTEREST - WORKING CAPITAL			-	-
DEPRECIATION			269,145.00	15.06
PROPERTY INSURANCE			10,400.89	0.58
PROPERTY TAXES			71,487.41	4.00
TOTAL FIXED EXPENSES			351,033.29	19.64
TOTAL NURSING HOME COSTS			\$8,405,918.84	\$470.39

Mar-17

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REHAB AIDES		7		5.00%		=		30		= \$	
(FTE's)	NUMBER OF EMPLOYEES	ORIENTATION									
CATEGORY		% OF TURNOVER	NEW EMPLOYEES	ANNUAL ORIENTATION HOURS	DAILY HOURS	AVG PAY RATE	DAILY TOTAL				
RN	8.40	100.00%	8.40	336.00	0.92	\$41.00	37.74	x	30.00		
LPN	4.20	100.00%	4.20	168.00	0.46	\$28.38	13.06	x	30.00		
CNA	23.80	100.00%	23.80	892.50	2.45	\$13.75	33.62	x	30.00		
REHAB AIDES		100.00%						x	30.00		
	36.40		36.40	1396.50	3.83				2,532.82		

(A) TOTAL HRS. (ICF, SNF, REHAB)	214.50	
(B) TOTAL ORIENTATION HOURS	3.83	
(C) TOTAL "DIRECT" HOURS	218.33	
(D) TOTAL "DIRECT" HOURS PPD	4.46	
(E) TOTAL ETO / SICK HOURS	12.45	
(F) TOTAL HRS. (C+E)	230.78	
(G) TOTAL PATIENT DAYS	48.96	
(H) TOTAL HRS. PPD..	4.71	
TOTAL NURSING SALARIES	\$133,496.92	

NHC at Indian Path

RUGS Category	Therapy Minutes	% of Medicare Residents in RUGS Category	Estimated Year 2 Medicare Part A Days	Estimated Patient Days in RUG Category	Therapy Minutes Required Per Patient Day	Estimated Minutes of Therapy Required
RUX	720	0.18%	10,722	19	103	1,957
RUL	720	0.16%	10,722	17	103	1,751
RVX	500		10,722	-	71	-
RVL	500		10,722	-	71	-
RHX	325		10,722	-	46	-
RHL	325		10,722	-	46	-
RMX	150		10,722	-	21	-
RML	150		10,722	-	21	-
RLX	45		10,722	-	6	-
RUC	720	31.59%	10,722	3,387	103	348,861
RUB	720	51.19%	10,722	5,488	103	565,264
RUA	720	10.23%	10,722	1,097	103	112,991
RVC	500	2.41%	10,722	259	71	18,389
RVB	500	2.39%	10,722	256	71	18,176
RVA	500	0.40%	10,722	43	71	3,053
RHC	325	0.16%	10,722	17	46	782
RHB	325	0.24%	10,722	26	46	1,196
RHA	325		10,722	-	46	-
RMC	150	0.35%	10,722	38	21	798
RMB	150	0.26%	10,722	28	21	588
RMA	150		10,722	-	21	-
RLB	45		10,722	-	6	-
RLA	45		10,722	-	6	-
ESTIMATED PART A RESIDENTS RECEIVING THERAPY				10,675		

ESTIMATED THERAPY MINUTES REQUIRED FOR PART A RESIDENTS

1,073,806

ESTIMATED THERAPY STAFF REQUIRED FOR PART A RESIDENTS

8.60

TOTAL MEDICARE RESIDENTS 29.38

TOTAL MANAGED CARE RESIDENTS 19.58

ADDITIONAL THERAPY STAFF FOR MANAGED CARE RESIDENTS

5.73

ESTIMATED PART B AND PRIVATE THERAPY REVENUE \$ 6,557

ESTIMATED "FEE SCREEN AMOUNT" PER 15 MINUTE PART B TREATMENT 18.75

ESTIMATED PART B TREATMENTS (15 MINUTES PER TREATMENT) 350

ESTIMATED MINUTES REQUIRED FOR PART B TREATMENTS 5,250

ESTIMATED THERAPY STAFF REQUIRED FOR PART B TREATMENTS **0.04**

ESTIMATED TOTAL THERAPY STAFF REQUIRED FOR PART A, PART B AND MANAGED CARE 14.37

NON PRODUCTIVE FACTOR (20%) 2.87

TOTAL THERAPY STAFF REQUIRED 17.24

PROPOSED THERAPY STAFF					
POSITION	HOURS PPD	PATIENT DAYS	BUDGETD HOURS	BUDGETED STAFF	
OTR	0.3492	49	6,240	3.00	
COTA	0.5238	49	9,360	4.50	
OT AIDES	-	49	-	-	
Purch Service		49			
RPT	0.3492	49	6,240	3.00	
LPTA	0.5529	49	9,880	4.75	
PT AIDES	-	49	-	-	
Purch Service		49			
SLP - CCC	0.2328	49	4,160	2.00	
STA	-	49	-	-	
ST AIDE	-	49	-	-	
Purch Service		49			
TOTAL THERAPY STAFF PER BUDGET				17.25	

NHC at Indian Path
Applicant's Projected Payor Mix by Level of Care

YEAR 1									
Payor/Care Level	Patient Admissions	Days of Care	Average Daily Census	Gross Revenue	Cont Adj/ Bad Debt	Net Revenue	% of Total Revenue	PPD	
Medicare/Skilled Care	263	5,245	14.37	3,476,639	(888,869)	2,587,770	62.52%	493.38	
Managed Care/Tenn Care Skilled Care	163	3,496	9.58	2,085,628	(540,786)	1,544,842	37.32%	441.89	
Private Pay - Skilled		-	-	-	-	-	0.00%		
Managed Care/Tenn Care ICF		-	-	-	-	-	0.00%		
Hospice		-	-	-	-	-	0.00%		
Private Pay - ICF		-	-	-	-	-	0.00%		
Medicare Part B		-	-	3,215	(8)	3,207	0.08%	0.37	(1)
Other Revenue		-	-	3,127	-	3,127	0.08%	0.36	(1)
		-	-	-	-	-	100.00%		
Total - Skilled	426	8,741	23.95	5,562,267	(1,429,655)	4,132,612	99.85%	472.78	
Total - ICF		-	-	-	-	-	0.00%		
Total Other Revenue		-	-	6,342	(8)	6,334	0.15%	0.72	
Grand Total	426	8,741	23.95	5,568,609	(1,429,663)	4,138,946	100.00%	473.51	

YEAR 2									
Payor/Care Level	Patient Admissions	Days of Care	Average Daily Census	Gross Revenue	Cont Adj/ Bad Debt	Net Revenue	% of Total Revenue	PPD	% Inflation
Medicare/Skilled Care	488	10,722	29.38	7,214,617	(1,818,837)	5,395,780	62.52%	503.24	2.00%
Managed Care/Tenn Care Skilled Care	333	7,148	19.58	4,333,818	(1,112,027)	3,221,791	37.33%	450.73	2.00%
Private Pay - Skilled		-	-	-	-	-	0.00%		
Managed Care/Tenn Care ICF		-	-	-	-	-	0.00%		
Hospice		-	-	-	-	-	0.00%		
Private Pay - ICF		-	-	-	-	-	0.00%		
Medicare Part B		-	-	6,573	(16)	6,557	0.08%	0.37	0.01%
Other Revenue		-	-	6,681	-	6,681	0.08%	0.37	4.50%
		-	-	-	-	-	100.00%		
Total - Skilled	821	17,870	48.96	11,548,435	(2,930,864)	8,617,571	99.85%	482.24	2.00%
Total - ICF		-	-	-	-	-	0.00%		
Total Other Revenue		-	-	13,254	(16)	13,238	0.15%	0.74	2.22%
Grand Total	821	17,870	48.96	11,561,689	(2,930,880)	8,630,809	100.00%	482.98	2.00%

(1) - Medicare Part B Revenue and other revenue is divided by total patient days to determine PPD amount.

**NHC at Indian Path
52 Bed Center**

Staffing - Full Time Equivalents
Year 2

	<u>52 Beds</u>
Administrator	1.00
Medical Director	*
Secretary	
Receptionist	1.40
Bookkeeper	1.00
RN's	8.40
LPN's	4.20
Aides	22.40
DON	1.00
Nursing Supply Clerk	0.50
Nursing Secretary	0.50
MDS Coordinator	2.00
Alzheimer Nursing Coordinator	
ADON	
Rehab Aides	
Assisted Living	
Medical Records - Head	1.00
Medical Records - Staff	1.00
Speech Therapy	*
Occupational Therapy	*
Physical Therapy	*
Dietary	5.90
Laundry	1.90
Housekeeping	6.10
Maintenance - Dept Head	1.00
Maintenance - Staff	
Other (spec.)	
Activities - Dept Head	1.00
Activiteis - Alzheimer	
Activities Staff	
Social Services - Dept Head	1.00
Social Services - Staff	<u>2.00</u>
Total	63.30

* Consultants

NHC at Indian Path
52 Bed Center
Economic Feasibility

- (c)(1)(A) By the end of the second year of the projection NHC at Indian Path will have a debt service coverage ratio greater than or equal to the required ratio of 1.25.
- (c)(1)(B) The project will meet or exceed the required current ratio of 1.25 by the end of the second year of the projection.
- (c)(1)(C) At the end of each year of the projection, the project will meet or exceed the required days cash on hand of greater than or equal to fifteen (15) days.
- (c)(1)(D) The required long term debt as a percent of total capital of less than or equal to ninety percent (90%) will be met by this project at the end of the second year of the projection.

Section C – Economic Feasibility – 6b

Estimated Rates

Sullivan County 2011 Nursing Home Rates

NURSING HOMES	SNF/Medicare (Avg Daily Charge)	2011 Rates					
		Medicaid		Private Pay/Private Room		Private Pay Semi/Pvt	
		Level II	Level I	Level II	Level I	Level II	Level I
1 Bristol Nursing Home	\$441.00	\$152.00	\$152.00	\$162.00	\$162.00	\$152.00	\$152.00
2 Holston Manor	\$328.00	\$134.00	\$139.00	\$173.00	\$173.00	\$173.00	\$173.00
3 Greystone Health Care Center	\$409.00	\$178.00	\$152.00	N/A	\$178.00	N/A	N/A
4 Brookhaven Manor	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00	\$175.00
5 The Cambridge House	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6 The Wexford House	\$502.00	\$152.00	\$163.00	\$200.00	\$195.00	\$200.00	\$185.00
7 Indian Path Medical Center - TCU	\$2,558.00	\$2,860.00	N/A	\$1,905.00	N/A	N/A	N/A
Average Rates	\$371.00	\$158.20	\$156.20	\$177.50	\$176.60	\$175.00	\$171.25

Source: 2011 Joint Annual Report Schedule H - Financial Data - Daily Charge

Indian Path - TCU has been omitted from the average rates

Sullivan County 2014 Nursing Home Rates

NURSING HOMES	2011 Inflated Rates						
	SNF/Medicare (Avg Daily Charge)	Medicaid		Private Pay/Private Room		Private Pay Semi/Pvt	
		Level II	Level I	Level II	Level I	Level II	Level I
1 Bristol Nursing Home	\$503.25	\$173.46	\$173.46	\$184.87	\$184.87	\$173.46	\$173.46
2 Holston Manor	\$374.30	\$152.92	\$158.62	\$197.42	\$197.42	\$197.42	\$197.42
3 Greystone Health Care Center	\$466.74	\$203.13	\$173.46	N/A	\$203.13	N/A	N/A
4 Brookhaven Manor	\$199.70	\$199.70	\$199.70	\$199.70	\$199.70	\$199.70	\$199.70
5 The Cambridge House	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6 The Wexford House	\$572.87	\$173.46	\$186.01	\$228.23	\$222.53	\$228.23	\$211.12
7 Indian Path Medical Center - TCU	\$2,919.10	\$3,263.74	N/A	\$2,173.92	N/A	N/A	N/A
Average Rates	\$423.37	\$180.53	\$178.25	\$202.56	\$201.53	\$199.70	\$195.42

Source: 2011 Joint Annual Report Schedule H - Financial Data - Daily Charge Inflated 4.5% to 2014

Indian Path - TCU has been omitted from the average rates

Sullivan County 2015 Nursing Home Rates

NURSING HOMES	2011 Inflated Rates						
	SNF/Medicare (Avg Daily Charge)	Medicaid		Private Pay/Private Room Level I	Private Pay/Private Room Level II	Private Pay Semi/Pvt Level I	Private Pay Semi/Pvt Level II
		Level II	Level I				
1 Bristol Nursing Home	\$525.90	\$181.26	\$181.26	\$193.19	\$193.19	\$181.26	\$181.26
2 Holston Manor	\$391.15	\$159.80	\$165.76	\$206.31	\$206.31	\$206.31	\$206.31
3 Greystone Health Care Center	\$487.74	\$212.27	\$181.26	N/A	\$212.27	N/A	N/A
4 Brookhaven Manor	\$208.69	\$208.69	\$208.69	\$208.69	\$208.69	\$208.69	\$208.69
5 The Cambridge House	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6 The Wexford House	\$598.64	\$181.26	\$194.38	\$238.50	\$232.54	\$238.50	\$220.62
7 Indian Path Medical Center - TCU	\$3,050.46	\$3,410.60	N/A	\$2,271.75	N/A	N/A	N/A
Average Rates	\$442.42	\$188.66	\$186.27	\$211.67	\$210.60	\$208.69	\$204.22

Source: 2011 Joint Annual Report Schedule H - Financial Data - Daily Charge Inflated 4.5% to 2015

Indian Path - TCU has been omitted from the average rates

Sullivan County 2016 Nursing Home Rates

NURSING HOMES	2011 Inflated Rates						
	SNF/Medicare (Avg Daily Charge)	Medicaid		Private Pay/Private Room		Private Pay Semi/Pvt	
		Level II	Level I	Level II	Level I	Level II	Level I
1 Bristol Nursing Home	\$549.57	\$189.42	\$189.42	\$201.88	\$201.88	\$189.42	\$189.42
2 Holston Manor	\$408.75	\$166.99	\$173.22	\$215.59	\$215.59	\$215.59	\$215.59
3 Greystone Health Care Center	\$509.69	\$221.82	\$189.42	N/A	\$221.82	N/A	N/A
4 Brookhaven Manor	\$218.08	\$218.08	\$218.08	\$218.08	\$218.08	\$218.08	\$218.08
5 The Cambridge House	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6 The Wexford House	\$625.58	\$189.42	\$203.13	\$249.24	\$243.01	\$249.24	\$230.54
7 Indian Path Medical Center - TCU	\$3,187.73	\$3,564.08	N/A	\$2,373.98	N/A	N/A	N/A
Average Rates	\$462.33	\$197.15	\$194.65	\$221.20	\$220.08	\$218.08	\$213.41

Source: 2011 Joint Annual Report Schedule H - Financial Data - Daily Charge Inflated 4.5% to 2016

Indian Path - TCU has been omitted from the average rates

Section C Economic Feasibility – 7(c)

**Documentation from the most Recent Licensure/certification
Inspection and an Approved Plan of Correction.**

Board for Licensing Health Care Facilities



State of Tennessee

License No. 0000000336

No. Beds 0022

DEPARTMENT OF HEALTH

This is to certify, that a license is hereby granted by the State Department of Health to

MOUNTAIN STATES HEALTH ALLIANCE, INC. to conduct

and maintain a Nursing Home INDIAN PATH MEDICAL CENTER TRANSITIONAL CARE UNIT

Located at 2000 BROOKSIDE DRIVE, KINGSPORT

County of SULLIVAN, Tennessee.

This license shall expire DECEMBER 09, 2013 and is subject to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.

In Witness Whereof, we have hereunto set our hand and seal of the State

this 1ST day of JULY, 2012.



By Vincent J. Davis, MPH

DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

Mr. M. J. Davis



STATE OF TENNESSEE
DEPARTMENT OF HEALTH
OFFICE OF HEALTH LICENSURE AND REGULATION
EAST TENNESSEE REGION
5904 LYONS VIEW PIKE, BLDG. 1
KNOXVILLE, TENNESSEE 37919

cc Grace P
VANCE J.

August 16, 2011

Mr. Monty McLaurin, Administrator
Indian Path Transitional Care Unit
2000 Brookside Drive
Kingsport TN 37660

RE: 44-5355

Dear Mr. McLaurin:

The East Tennessee Regional Office of Health Care Facilities conducted a Health and Life Safety recertification survey on July 26 – 28, 2011. A desk review of your plan of correction for deficiencies cited as a result of the survey was conducted August 11, 2011. Based on the review, we are accepting your plan of correction and are assuming your facility is in compliance with all participation requirements as of August 8, 2011.

If you have any questions, please contact the East Tennessee Regional Office by phone: 865-588-5656 or by fax: 865-594-5739.

Sincerely,

Karen B. Kirby, R.N.
Regional Administrator
ETRO Health Care Facilities

KK: afl

Mountain States Health Alliance
Indian Path Medical Center
Transitional Care Unit
2000 Brookside Drive
Kingsport TN 37660

August 8, 2011

Karen B. Kirby, RN
State of Tennessee Dept of Health
Office of Health, Licensure, and Regulation
East Tennessee Region
5904 Lyons View Pike, Bldg 1
Knoxville, TN 37919

Ms. Kirby,

Enclosed is the Plan of Correction for Indian Path Medical Center Transitional Care Unit as a result of the findings from the annual survey conducted on July 28, 2011. We thank you for a thorough survey and have initiated a change in our practices to meet CMS compliance standards.

Sincerely,



Vanessa Jessee, RNC
Director of Nursing
Transitional Care Unit



STATE OF TENNESSEE
DEPARTMENT OF HEALTH
OFFICE OF HEALTH LICENSURE AND REGULATION
EAST TENNESSEE REGION
5904 LYONS VIEW PIKE, BLDG. 1
KNOXVILLE, TENNESSEE 37919

IMPORTANT NOTICE - PLEASE READ CAREFULLY

August 3, 2011

Mr. Monty McLaurin, Administrator
Indian Path Transitional Care Unit
2000 Brookside Drive
Kingsport TN 37660

RE: 44-5355

Dear Mr. McLaurin:

The East Tennessee Regional Office of Health Care Facilities conducted a Health and Life Safety Code recertification survey on July 26 - 28, 2011. This letter to you is to serve as notice that as a result of the survey/investigation completed **July 28, 2011**, your facility was not in substantial compliance with the participation requirements of Medicare and/or Medicaid Programs. A statement of deficiencies (CMS 2567) is being provided to you with this letter.

If you do not achieve substantial compliance by **September 11, 2011**, our office will recommend to the Centers for Medicare & Medicaid Services (CMS) and/or the State Medicaid Agency that enforcement remedies be imposed.

All references to regulatory requirements contained in this letter are found in Title 42, Code of Federal Regulations.

Mandatory Remedies

If you do not achieve substantial compliance by **October 28, 2011**, (3 months after the last day of the survey identifying noncompliance **July 28, 2011**), the CMS Regional Office and/or State Medicaid Agency must deny payments for new admissions.

We will also recommend to the CMS Regional Office that your Provider Agreement be terminated on **January 28, 2012**, if substantial compliance is not achieved by that time.

Please note that this notice does not constitute formal notice of imposition of alternative remedies or termination of your provider agreement. Should the Centers for Medicare and Medicaid Services determine that termination or any other remedy is warranted, it will provide you with a separate formal notification of that determination.

Mr. Monty McLaurin, Administrator
August 3, 2011
Page 2

Plan of Correction (POC)

A POC for the deficiencies must be submitted by **August 13, 2011**. Failure to submit an acceptable POC by **August 13, 2011** may result in the imposition of remedies by **September 11, 2011**.

Your POC must contain the following:

What corrective action(s) will be accomplished for those residents found to have been affected by the deficient practice;

How you will identify other residents having the potential to be affected by the same deficient practice and what corrective action will be taken;

What measures will be put into place or what systematic changes you will make to ensure that the deficient practice does not recur; and

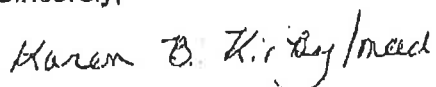
How the corrective action(s) will be monitored to ensure the deficient practice will not recur; i.e., what quality assurance program will be put into place.

INFORMAL DISPUTE RESOLUTION

In accordance with 488.331, you have one opportunity to question cited deficiencies. You may request a Face to Face IDR for substandard level deficiencies, harm level deficiencies and immediate jeopardy level deficiencies. All other deficiencies will receive a desk review (telephone or written) by the Regional Office that cited the deficiency. These requests must be made within the same 10-calendar day period that you have for submitting an acceptable plan of correction and must contain additional justification as to why the deficiency(ies) should not have been written for harm level deficiencies or other deficiencies that are not substandard or immediate jeopardy. Evidence to dispute the scope and severity levels may only be submitted for substandard or immediate jeopardy deficiencies. Additional information which must be submitted with your request for an IDR is limited to no more than five (5) typed pages with a font size of no less than ten (10). If the facility is requesting a desk review in addition to a face to face IDR, the facility must submit two separate requests with their plan of correction to the State Survey Agency at the address on this letter, telephone 865-588-5656 or fax number 865-594-5739. An incomplete Informal Dispute Resolution process will not delay the effective date of any enforcement action.

If you have any questions, please contact the East Tennessee Regional Office by phone: 865-588-5656 or by fax: 865-594-5739

Sincerely,



Karen B. Kirby, R.N.
Regional Administrator
ETRO Health Care Facilities

KK:af1

Enclosure

2011-08-02 16:07

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423 857 7109 P 4/9

PRINTED: 08/02/2011

FORM APPROVED

OMB NO. 0938-0391

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445355	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED 07/28/2011
NAME OF PROVIDER OR SUPPLIER INDIAN PATH MEDICAL CENTER TRANSITIONAL CARE			STREET ADDRESS, CITY, STATE, ZIP CODE 2000 BROOKSIDE DRIVE KINGSPORT, TN 37680		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X6) COMPLETION DATE	
F 157 SS=D	<p>483.10(b)(11) NOTIFY OF CHANGES (INJURY/DECLINE/ROOM, ETC)</p> <p>A facility must immediately inform the resident; consult with the resident's physician; and if known, notify the resident's legal representative or an interested family member when there is an accident involving the resident which results in injury and has the potential for requiring physician intervention; a significant change in the resident's physical, mental, or psychosocial status (i.e., a deterioration in health, mental, or psychosocial status in either life threatening conditions or clinical complications); a need to alter treatment significantly (i.e., a need to discontinue an existing form of treatment due to adverse consequences, or to commence a new form of treatment); or a decision to transfer or discharge the resident from the facility as specified in §483.12(a).</p> <p>The facility must also promptly notify the resident and, if known, the resident's legal representative or interested family member when there is a change in room or roommate assignment as specified in §483.15(e)(2); or a change in resident rights under Federal or State law or regulations as specified in paragraph (b)(1) of this section.</p> <p>The facility must record and periodically update the address and phone number of the resident's legal representative or interested family member.</p> <p>This REQUIREMENT is not met as evidenced by: Based on medical record review, observation, and interview, the facility failed to immediately</p>	F 157	<p>What corrective action will be accomplished for those residents found to have been affected by the deficient practice?</p> <p>The final urine culture was reported from the lab on 7/24/11 and not called to the MD. It was reported on 7/25 and antibiotic therapy was initiated. This was a delay in treatment with no significant harm to the resident.</p> <p>How will the facility identify other residents having the potential to be affected by the same deficient practice and what action will be taken?</p> <p>A. The nurse who did not call the report to the physician on 7/24/11 was counseled.</p> <p>B. The other TCU nurses were informed of the deficiency details on 7/26/2011. Director educated the nurses that new lab reports must be reviewed daily and any positive lab cultures must be called to the physician if he/she does not round that day.</p> <p>Continued on next page</p>	07/25/11	07/24/11 07/26/11

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

TITLE

(X8) DATE

Any deficiency statement ending with an asterisk (*) denotes a deficiency which the institution may be excused from correcting providing it is determined that other safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

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423 857 7109 P 6/9

PRINTED: 08/02/2011

FORM APPROVED

OMB NO. 0938-0391

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445355	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED 07/28/2011
NAME OF PROVIDER OR SUPPLIER INDIAN PATH MEDICAL CENTER TRANSITIONAL CARE			STREET ADDRESS, CITY, STATE, ZIP CODE 2000 BROOKSIDE DRIVE KINGSPORT, TN 37680		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X6) COMPLETION DATE	
F 157	Continued From page 2 Interview in the employee health office with Licensed Practical Nurse (LPN) #1, on July 27, 2011 at 11:00 a.m., verified the LPN had not followed up with the physician on July 22, 2011, as requested by the physician on the evening of July 21, 2011, when an antibiotic had been initiated. Interview in the employee health office with the Director of Nursing (DON) on July 28, 2011, at 10:00 a.m., confirmed the positive urine culture had not been communicated to the physician prior to July 25, 2011.	F 157	How will the corrective actions be monitored to ensure the deficient practice will not recur? A. Ongoing practices are now in place to review the culture reports and antibiotic therapy initiation by the facility IPP with reporting of any delayed initiation reported to the DON and the unit Shift Leader who would then notify the MD. This report generates 4 hours after the cultures are uploaded into the electronic medical record. B. The DON will do progressive counseling with any individual nurse who does not follow the accepted practice of notifying the MD of any abnormal lab results requiring interventions. C. All labs are electronically posted in the resident record for viewing by the nurse and physician or practitioner. As a backup to the above process, paper copies of daily labs will be generated for TCU for one month. To monitor the effectiveness of the process to communicate all positive culture reports on the day they post to the department if antibiotics have not been started, the DON or Shift Leader will also review the paper printed reports and note actions taken on the positive culture reports. There is a TCU shift leader/charge nurse assigned each shift and he/she will view these reports that potentially would generate on the weekend and when MD's are more likely not to round. These will be reviewed by the DON at the end of the 30 days to see if there is a deficient practice, or if the cited occurrence of delay of treatment was an isolated event.	08/03/11	08/08/11 08/08/11

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PRINTED: 07/29/2011
FORM APPROVED

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TN8205	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____		(X3) DATE SURVEY COMPLETED 07/28/2011
NAME OF PROVIDER OR SUPPLIER INDIAN PATH MEDICAL CENTER TRANSITION			STREET ADDRESS, CITY, STATE, ZIP CODE 2000 BROOKSIDE DRIVE KINGSPORT, TN 37660		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X6) COMPLETE DATE	
N 002	1200-8-6 No Deficiencies During the annual licensure survey conducted on July 28, 2010, there was no deficiencies cited under Chapter 1200-8-6, Standards for Nursing Homes.	N 002			

Division of Health Care Facilities

TITLE VP/CEO

(X8) DATE

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

STATE FORM

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If continuation sheet 1 of 1

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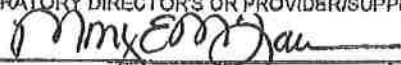
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DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

PRINTED: 07/28/2011
FORM APPROVED
OMB NO. 0938-0391

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: 445395	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - MAIN BUILDING 01 B. WING _____		(X3) DATE SURVEY COMPLETED 07/26/2011
NAME OF PROVIDER OR SUPPLIER INDIAN PATH MEDICAL CENTER TRANSITIONAL CARE			STREET ADDRESS, CITY, STATE, ZIP CODE 2000 BROOKSIDE DRIVE KINGSPORT, TN 37660		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETION DATE	
K 000	INITIAL COMMENTS There were no life safety code deficiencies noted on the day of this recertification survey.	K 000			

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE



TITLE

VP/CEO

(X6) DATE

Any deficiency statement ending with an asterisk (*) denotes a deficiency which the institution may be excused from correcting providing it is determined that other safeguards provide sufficient protection to the patients. (See instructions.) Except for nursing homes, the findings stated above are disclosable 90 days following the date of survey whether or not a plan of correction is provided. For nursing homes, the above findings and plans of correction are disclosable 14 days following the date these documents are made available to the facility. If deficiencies are cited, an approved plan of correction is requisite to continued program participation.

2011-08-02 16:08

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423 857 7109 P 9/9

PRINTED: 07/28/2011
FORM APPROVED

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TN8205	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - MAIN BUILDING 01 B. WING _____	(X3) DATE SURVEY COMPLETED 07/26/2011
NAME OF PROVIDER OR SUPPLIER INDIAN PATH MEDICAL CENTER TRANSITION		STREET ADDRESS, CITY, STATE, ZIP CODE 2000 BROOKSIDE DRIVE KINGSPORT, TN 37660		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
N 002	1200-8-6 No Deficiencies There were no fire safety deficiencies noted on the day of this annual licensure survey.	N 002		

Division of Health Care Facilities



TITLE VP/CEO

(X6) DATE

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

STATE FORM

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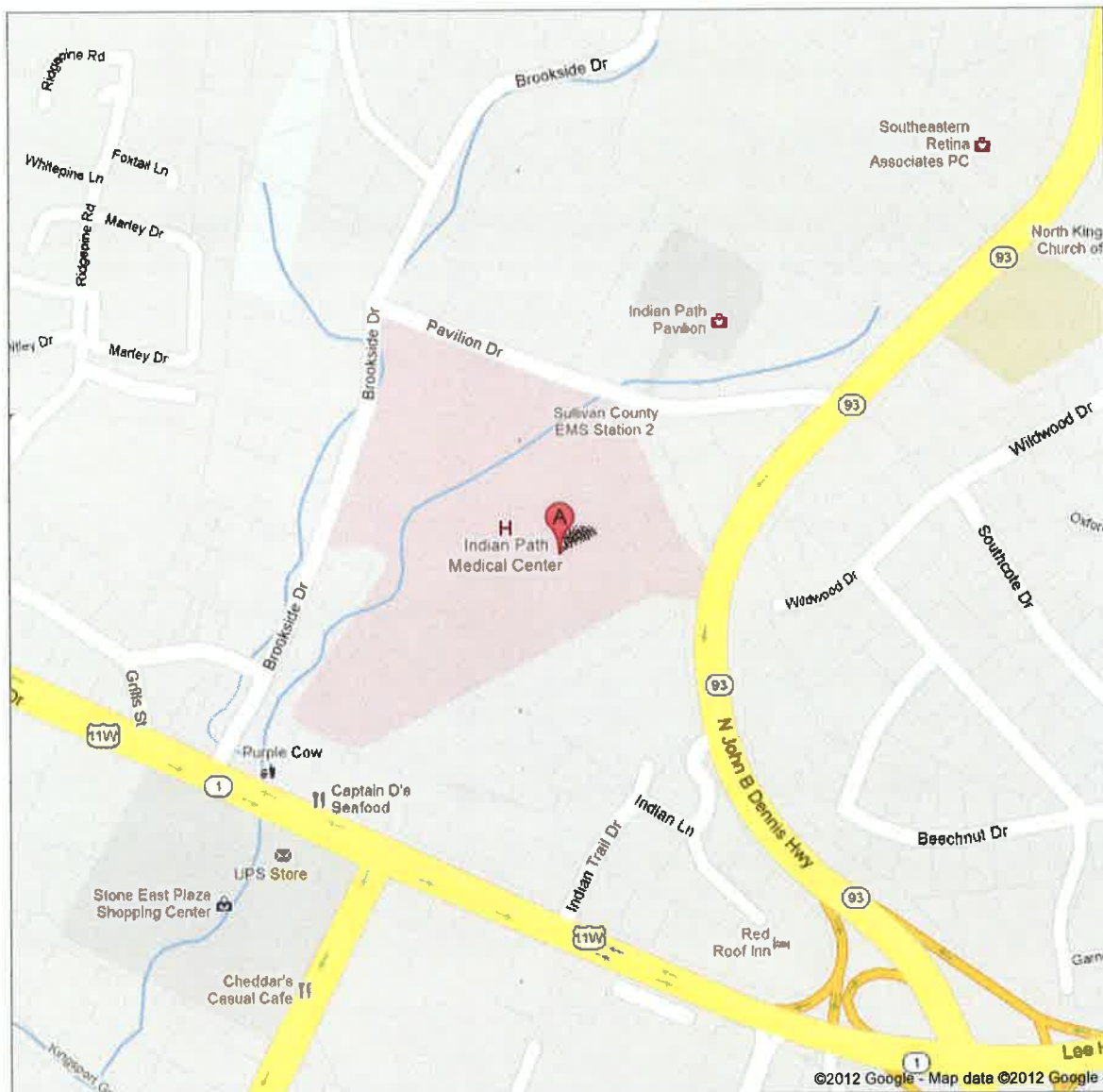
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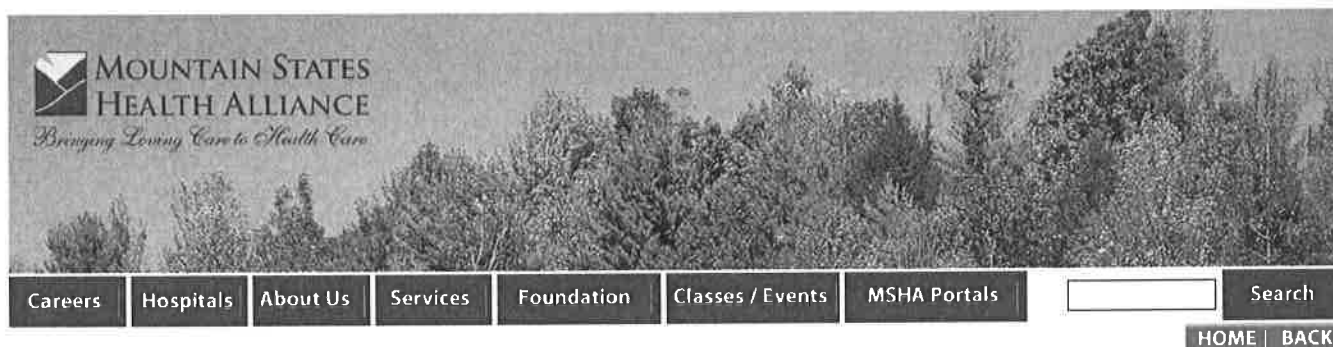
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Address **2000 Brookside Dr**
Kingsport, TN 37660

Indian Path Medical Ctr Transitional Care Unit
- 22 beds





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Mountain States
Medical Group

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WebNursery

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eGreetings

CarePages

Indian Path Medical Center Maps, Directions and Location

Indian Path Medical Center Address

2000 Brookside Drive
Kingsport, TN 37660
Phone: 423-857-7000

IPMC Internal Floor Maps

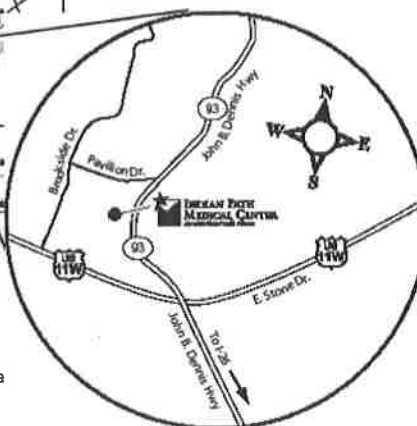
- [First/Main Level](#)
- [Second Level](#)
- [Third Level](#)
- [Fourth/Fifth Levels](#)
- [Sixth/Seventh Levels](#)

Indian Path Medical Center Directions



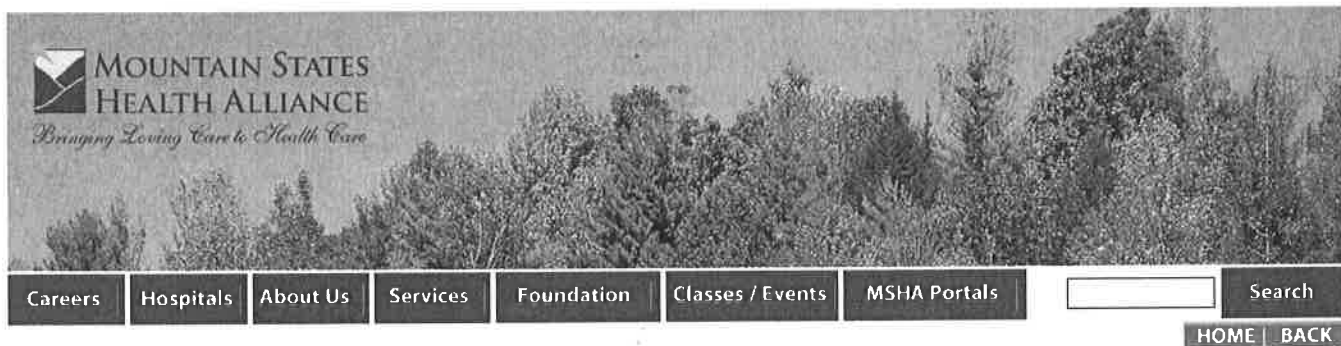
From Knoxville, Tenn. : On I-81 North, take exit 57B onto Interstate 26W to Kingsport. After 5 miles, take exit 51 (Wilcox Drive) right onto Highway 93N (John B. Dennis Highway). Go 6 miles. Hospital will be on left. Take first Medical Center entrance.

From Bristol, Va. : Take I-81 South. Take exit 74 onto US-11W (TN-1) and go West for 17.6 miles. Bear right onto John B. Dennis Highway. Proceed 0.2 miles. Hospital will be on left. Take first Medical Center entrance.



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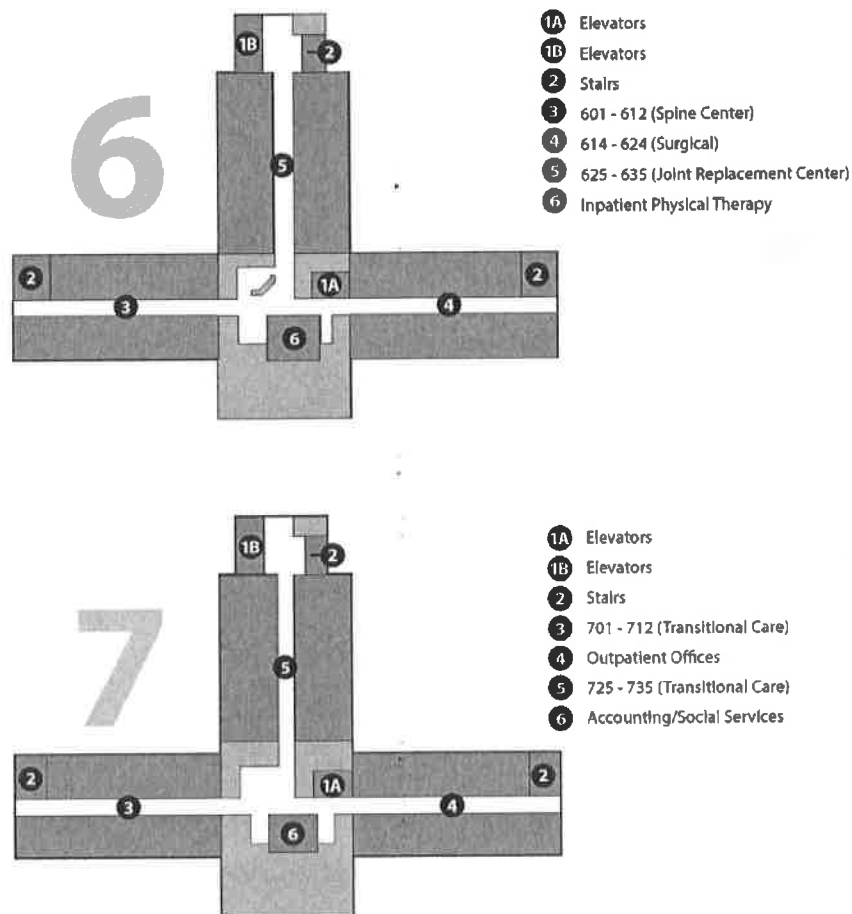
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Section III – Contribution of Orderly Development – 3

Salary Comparison

Nursing	2012 Wages	NHC at Indian Path 2016 Average Wages
RN	\$25.56	\$27.69
LPN	\$15.74	\$19.10
C N A	\$10.76	\$13.42

Source: Tennessee Department of Labor & Workforce Development 2012 Occupational Employment and Wages
Kingsport-Bristol-Bristol, TN -VA MSA Healthcare Practitioners and Technical Operations

2012 KINGSPORT-BRISTOL-BRISTOL, TN-VA MSA OCCUPATIONAL WAGES

JOB CODE	JOB TITLE	EMPLOY- MENT	HRLY MEAN	ANNUAL MEAN	HRLY ENTRY	HRLY EXPER	RANGE OF WAGES		
							25%	median	75%
29-1123	Physical Therapists	140	\$40.52	\$84,280	\$32.19	\$44.69	\$75,870	\$84,650	\$93,520
29-1071	Physician Assistants	70	\$41.20	\$85,690	\$31.00	\$46.29	\$77,550	\$86,220	\$94,920
* 29-1069	Physicians and Surgeons, All Other	230	\$91.60	\$190,520	\$61.98	\$106.40	\$140,910	\$173,280	n/d
29-1111	Registered Nurses	3,200	\$25.56	\$53,160	\$18.41	\$29.13	\$41,650	\$48,840	\$59,330
29-1126	Respiratory Therapists	220	\$21.61	\$44,950	\$17.31	\$23.77	\$38,770	\$44,210	\$51,600
29-1127	Speech-Language Pathologists	110	\$30.09	\$62,590	\$21.61	\$34.33	\$48,760	\$59,000	\$74,540
29-2055	Surgical Technologists	120	\$17.07	\$35,510	\$13.52	\$18.85	\$30,370	\$35,290	\$40,990
29-1131	Veterinarians	40	\$31.83	\$66,210	\$21.12	\$37.19	\$47,300	\$59,690	\$82,500
29-2056	Veterinary Technologists and Technicians	40	\$11.56	\$24,050	\$9.05	\$12.82	\$19,630	\$21,590	\$23,640
31-9091	Dental Assistants	350	\$13.74	\$28,570	\$10.54	\$15.33	\$23,420	\$27,250	\$32,150
31-1011	Home Health Aides	580	\$10.15	\$21,110	\$8.03	\$11.21	\$18,230	\$20,810	\$22,890
31-9011	Massage Therapists	*	\$20.05	\$41,710	\$13.71	\$23.22	\$38,640	\$41,890	\$45,150
31-9092	Medical Assistants	750	\$13.09	\$27,220	\$10.54	\$14.36	\$23,390	\$26,690	\$29,870
31-9093	Medical Equipment Preparers	*	\$13.07	\$27,190	\$10.61	\$14.31	\$23,110	\$26,320	\$29,680
* 31-9094	Medical Transcriptionists	120	\$14.62	\$30,400	\$11.05	\$16.40	\$24,240	\$30,850	\$35,460
31-1012	Nursing Aides, Orderlies, and Attendants	1,290	\$10.76	\$22,380	\$8.40	\$11.94	\$18,960	\$21,630	\$24,270
31-2011	Occupational Therapist Assistants	40	\$27.12	\$56,400	\$23.62	\$28.86	\$50,210	\$54,820	\$59,420
31-9095	Pharmacy Aides	40	\$11.19	\$23,270	\$8.74	\$12.41	\$19,560	\$22,480	\$26,430
31-2022	Physical Therapist Aides	*	\$12.10	\$25,160	\$10.00	\$13.15	\$21,830	\$24,900	\$27,810
31-2021	Physical Therapist Assistants	60	\$29.55	\$61,470	\$22.97	\$32.85	\$53,720	\$63,290	\$70,920
31-9096	Veterinary Assistants and Laboratory Animal Caretakers	90	\$10.35	\$21,520	\$8.08	\$11.48	\$17,260	\$19,300	\$25,930
33-9011	Animal Control Workers	20	\$13.94	\$29,000	\$10.72	\$15.55	\$24,740	\$29,090	\$34,270
33-3012	Correctional Officers and Jailers	360	\$15.15	\$31,500	\$12.74	\$16.35	\$27,530	\$31,540	\$35,430
33-3021	Detectives and Criminal Investigators	100	\$26.49	\$55,090	\$17.76	\$30.85	\$39,110	\$43,960	\$54,960
33-2011	Fire Fighters	*	\$15.51	\$32,270	\$10.02	\$18.26	\$24,040	\$32,280	\$39,820
33-1011	First-Line Supervisors/Managers of Correctional Officers	*	\$22.14	\$46,060	\$17.20	\$24.62	\$38,130	\$44,060	\$51,420
33-1021	First-Line Supervisors/Managers of Fire Fighting and Pre	20	\$26.67	\$55,480	\$15.14	\$32.44	\$40,310	\$47,990	\$70,430
33-1012	First-Line Supervisors/Managers of Police and Detective	50	\$30.67	\$63,800	\$21.27	\$35.38	\$48,860	\$60,960	\$72,320
33-1099	First-Line Supervisors/Managers, Protective Service Wor	20	\$20.81	\$43,290	\$13.53	\$24.45	\$29,710	\$44,930	\$52,700
33-3051	Police and Sheriff's Patrol Officers	460	\$18.78	\$39,060	\$14.25	\$21.04	\$31,970	\$37,090	\$46,330
33-9099	Protective Service Workers, All Other	50	\$12.17	\$25,300	\$8.45	\$14.03	\$19,070	\$22,560	\$32,050
33-9032	Security Guards	380	\$11.05	\$22,980	\$8.05	\$12.55	\$17,700	\$21,180	\$27,580
35-3011	Bartenders	*	\$8.46	\$17,600	\$7.98	\$8.70	\$16,390	\$17,570	\$18,760
35-1011	Chefs and Head Cooks	80	\$17.97	\$37,380	\$12.45	\$20.74	\$26,600	\$30,400	\$46,740
35-3021	Combined Food Preparation and Serving Workers, Inclu	3,330	\$8.60	\$17,900	\$8.07	\$8.87	\$16,450	\$17,660	\$18,870
35-2019	Cooks, All Other	40	\$8.93	\$18,570	\$8.17	\$9.30	\$16,740	\$18,210	\$19,770
35-2011	Cooks, Fast Food	320	\$8.51	\$17,700	\$8.16	\$8.69	\$16,500	\$17,700	\$18,900

2012 KINGSFORT-BRISTOL-BRISTOL, TN-VA MSA OCCUPATIONAL WAGES

JOB CODE	JOB TITLE	EMPLOY- MENT	HRLY MEAN	ANNUAL MEAN	HRLY ENTRY	HRLY EXPER	RANGE OF WAGES		
							25%	median	75%
25-1067	Sociology Teachers, Postsecondary	20	n/h	\$49,300	n/h	n/h	\$27,890	\$32,710	\$59,520
25-2041	Special Education Teachers, Preschool, Kindergarten, a	200	n/h	\$46,830	n/h	n/h	\$39,550	\$45,330	\$54,270
25-9041	Teacher Assistants	1,140	n/h	\$20,520	n/h	n/h	\$17,420	\$19,580	\$22,630
25-3999	Teachers, Primary, Secondary, and Adult, All Other (OE	500	n/h	\$20,340	n/h	n/h	\$16,550	\$17,940	\$19,430
25-1194	Vocational Education Teachers, Postsecondary	60	\$19.43	\$40,410	\$12.81	\$22.73	\$27,630	\$33,880	\$48,840
27-4011	Audio and Video Equipment Technicians	*	\$17.63	\$36,670	\$12.37	\$20.26	\$27,400	\$35,970	\$45,550
27-2022	Coaches and Scouts	60	n/h	\$38,770	n/h	n/h	\$19,010	\$33,180	\$47,280
27-3041	Editors	40	\$16.57	\$34,470	\$10.49	\$19.62	\$23,020	\$30,820	\$41,380
27-1023	Floral Designers	80	\$9.88	\$20,550	\$8.08	\$10.78	\$17,600	\$20,170	\$22,890
27-1024	Graphic Designers	70	\$16.42	\$34,150	\$11.54	\$18.86	\$25,250	\$30,410	\$39,010
27-1025	Interior Designers	20	\$16.12	\$33,540	\$11.59	\$18.39	\$26,350	\$29,660	\$35,530
27-3091	Interpreters and Translators	*	\$17.17	\$35,710	\$12.57	\$19.47	\$30,920	\$36,320	\$42,810
27-1026	Merchandise Displayers and Window Trimmers	40	\$11.20	\$23,300	\$8.61	\$12.49	\$19,190	\$22,310	\$26,890
27-2041	Music Directors and Composers	*	\$21.78	\$45,300	\$12.87	\$26.24	\$39,010	\$47,140	\$57,880
27-4021	Photographers	*	\$15.17	\$31,560	\$8.26	\$18.63	\$18,790	\$32,000	\$41,830
27-3031	Public Relations Specialists	80	\$20.95	\$43,570	\$14.02	\$24.41	\$32,080	\$40,400	\$47,680
27-3011	Radio and Television Announcers	40	\$13.04	\$27,120	\$8.11	\$15.51	\$18,180	\$25,720	\$34,170
27-3042	Technical Writers	*	\$27.10	\$56,360	\$20.01	\$30.64	\$45,960	\$53,680	\$60,050
27-3043	Writers and Authors	20	\$15.04	\$31,270	\$12.13	\$16.49	\$26,980	\$31,330	\$35,860
29-2031	Cardiovascular Technologists and Technicians	60	\$27.36	\$56,900	\$20.11	\$30.98	\$46,980	\$56,590	\$67,940
29-2021	Dental Hygienists	170	\$25.75	\$53,570	\$19.08	\$29.09	\$47,090	\$53,740	\$59,580
29-1021	Dentists, General	50	\$82.25	\$171,070	\$50.74	\$98.00	\$114,280	\$154,440	n/d
29-2032	Diagnostic Medical Sonographers	40	\$26.10	\$54,290	\$19.81	\$29.24	\$45,330	\$54,120	\$63,090
29-1031	Dietitians and Nutritionists	*	\$24.94	\$51,880	\$15.94	\$29.45	\$40,450	\$50,110	\$63,670
29-2041	Emergency Medical Technicians and Paramedics	410	\$12.95	\$26,940	\$9.80	\$14.53	\$21,950	\$26,080	\$30,100
29-1062	Family and General Practitioners	*	\$112.20	\$233,370	\$83.70	n/h	n/d	n/d	n/d
* 29-2061	Licensed Practical and Licensed Vocational Nurses	1,150	\$15.74	\$32,730	\$12.01	\$17.60	\$27,960	\$33,100	\$37,520
29-2012	Medical and Clinical Laboratory Technicians	350	\$18.44	\$38,350	\$13.36	\$20.98	\$31,790	\$39,790	\$45,040
29-2011	Medical and Clinical Laboratory Technologists	210	\$26.93	\$56,010	\$22.66	\$29.06	\$49,660	\$55,600	\$62,550
29-2071	Medical Records and Health Information Technicians	200	\$12.61	\$26,220	\$8.13	\$14.85	\$18,530	\$24,530	\$30,290
29-2033	Nuclear Medicine Technologists	*	\$28.87	\$60,050	\$26.10	\$30.26	\$53,790	\$59,210	\$67,510
29-9011	Occupational Health and Safety Specialists	60	\$25.60	\$53,250	\$20.38	\$28.21	\$46,370	\$52,890	\$58,910
29-1122	Occupational Therapists	90	\$37.11	\$77,190	\$28.60	\$41.37	\$63,450	\$74,840	\$90,970
29-2081	Opticians, Dispensing	60	\$18.47	\$38,410	\$13.35	\$21.03	\$32,080	\$38,370	\$46,770
29-1041	Optometrists	*	\$51.69	\$107,510	\$34.20	\$60.43	\$75,760	\$88,460	\$127,290
29-1051	Pharmacists	310	\$59.58	\$123,920	\$46.58	\$66.08	\$108,570	\$123,830	\$138,910
29-2052	Pharmacy Technicians	560	\$13.01	\$27,070	\$9.86	\$14.59	\$22,650	\$26,530	\$30,000

May 2012

Tennessee Department of Labor and Workforce Development
Employment Security Division, Research and Statistics

Page 4 of 11

Attachment – Proof of Publication

December 4, 2012

Public Notices, Legal Advertising
Kingsport Times News
701 Lynn Garden Dr.
Kingsport, TN 37662

Fax: 423-392-1385
PHONE: 423-392-1311
Email: news@timesnew.net
classifieds.timesnews.net

Dear Public Notices:

Please publish the attached document according to the instructions at the top of the attached document page on Monday the tenth (10) of December 2012. Also, please send us a copy of the notice and proof of publication (i.e. notary of publication). Please bill us for any cost incurred with regard to this request. Please send all correspondence to my attention at:

Bruce K. Duncan, National HealthCare Corporation, City Center, 100 Vine Street, 12th Floor, Murfreesboro, TN 37130.

I will need the proof of publication no later than December 13th (FAX 615-890-0123), and the original mailed to me on the same day. Thank you for your prompt attention to this matter.

If you have any questions please do not hesitate to call me at 615-890-2020.

Sincerely,

NATIONAL HEALTHCARE CORPORATION



Bruce K. Duncan, Assistant Vice President
Director of Health Planning

Attachment



**PUBLICATION OF INTENT
TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY**

The following shall be published in the "Legal Notices" section of the newspaper in a space no smaller than two (2) columns by two (2) inches.

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that:

NHC at Indian Path Nursing Home
(Name of Applicant) (Facility Type-Existing)

owned by: NHC at Indian Path, LLC with an ownership type of Limited Liability Company and to be managed by: NHC at Indian Path, LLC intends to file an application for a Certificate of Need for: the replacement and relocation of the existing licensed Indian Path Medical Center Transitional Care Unit comprised of all of said unit's 22 licensed beds (license number 00336), and the addition of 30 new Medicare certified nursing home beds for a project total of 52 nursing home beds to be called NHC at Indian Path and located at 2300 Pavilion Dr., Kingsport (Sullivan Co.) TN 37660-4622. NHC at Indian Path will be certified for Medicare participation. The project will be located in the existing building at the site of the old Indian Path Pavilion. The estimated project costs is \$10,385,615.

The anticipated date of filing the application is: December 14, 2012

The contact person for this project is Bruce K. Duncan Assistant Vice President
(Contact Name) (Title)

who may be reached at: National HealthCare Corporation 100 Vine Street, 12th Floor
(Company Name) (Address)

Murfreesboro Tennessee 37130 615 / 890-2020
(City) (State) (Zip Code) (Area Code / Phone Number)

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

**Health Services and Development Agency
Andrew Jackson Building
500 Deaderick Street, Suite 850
Nashville, Tennessee 37243**

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

Attachment – Letter of Intent

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7:12 DEC 12 PM 2 59
LETTER OF INTENT

TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Kingsport Times-News which is a newspaper
(Name of Newspaper)
of general circulation in Sullivan, Tennessee, on or before December 10, 2012,
(County) (Month / day) (Year)
for one day.

=====

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that:

NHC at Indian Path Nursing Home
(Name of Applicant) (Facility Type-Existing)

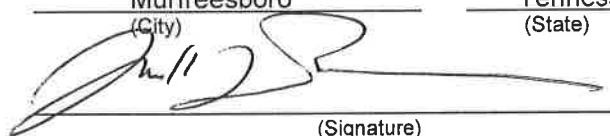
owned by: NHC at Indian Path, LLC with an ownership type of Limited Liability Company and to
be managed by: NHC at Indian Path, LLC intends to file an application for a Certificate of Need
for: the replacement and relocation of the existing licensed Indian Path Medical Center Transitional
Care Unit comprised of all of said unit's 22 licensed beds (license number 00336), and the addition of
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(Contact Name) (Title)

who may be reached at: National HealthCare Corporation 100 Vine, Street, 12th Floor
(Company Name) (Address)

Murfreesboro Tennessee 37130 615 / 890-2020
(City) (State) (Zip Code) (Area Code / Phone Number)


(Signature)

12/3/12 Bduncan@nhccare.com
(Date) (E-mail Address)

=====

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency
Andrew Jackson Building
500 Deaderick Street, Suite 850
Nashville, Tennessee 37243

=====

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=====

Attachment – Letters of Support

DAVID P. ROE
1ST DISTRICT, TENNESSEE

EDUCATION AND WORKFORCE
VETERANS' AFFAIRS

Congress of the United States

House of Representatives
2012 DEC 12 PM 2 59
Washington, DC 20515-4201

COUNTIES:
CARTER
COCKE
GREENE
HAMBLETON
HANCOCK
HAWKINS
JEFFERSON
JOHNSON
SEVIER
SULLIVAN
UNICOI
WASHINGTON

November 14, 2012

Ms. Melanie Hill
Executive Director
State of Tennessee
Health Services and Development Agency
500 Deaderick Street
Suite 850
Nashville, TN 37243-0001

Dear Ms. Hill,

Please accept this letter as my support for NHC at Indian Path and its plans for the renovation of the Indian Path Pavilion for a new 52 bed facility. NHC is filing this CON based on the bed need projection for additional skilled beds in Sullivan County. We need to meet the demands of our senior population with quality care and NHC is a great resource.

NHC is to be commended for their care and for their future commitment of creating more housing to meet the aging senior's needs. I wish NHC well in the fulfillment of its mission of care for the elderly.

Sincerely,



David P. Roe
Member of Congress TN-01

DPR/sh

KINGSPORT HIGHER EDUCATION CENTER
205 REVERE STREET
POST OFFICE BOX 1728
KINGSPORT, TN 37660
PHONE: 423-247-8161
FAX: 423-247-0119

WASHINGTON
419 CANNON HOUSE OFFICE BUILDING
WASHINGTON, DC 20515
PHONE: 202-225-6356
FAX: 202-225-5714

ON THE CAMPUS OF WALTERS STATE
1609 COLLEGE PARK DRIVE, SUITE 4
MORRISTOWN, TN 37813
PHONE: 423-254-1400
FAX: 423-254-1403



November 14, 2012

Ms. Melanie Hill, Executive Director
State of Tennessee
Health Services and Department Agency
500 Deadrick Street, Suite 850
Nashville, TN 37243

Dear Ms. Hill:

Based on information provided by NHC emphasizing a projected skilled bed need and the creation of approximately 90 jobs, I am writing this letter to provide support for NHC at Indian Path's CON application.

Thank you for considering this application. If I can provide further support or answer any questions, please call me at 423-392-8807.

Sincerely,

Miles Burdine
President & CEO

Cc: Monty McLaurin

KINGSPORT CHAMBER OF COMMERCE PROGRAMS

Communications & Development • Education & Workforce Development • Fun Fest • Government Relations • Keep Kingsport Beautiful
Kingsport Convention & Visitors Bureau (KCVB) • Kingsport Leadership Programs: ENCORE, Leadership Kingsport, S.H.O.U.T.I.® Youth Leadership
Kingsport Office of Small Business Development & Entrepreneurship (KOSBE) • Membership • Move to Kingsport



CITY OF KINGSPORT, TENNESSEE

2012 DEC 12 PM 2 59

November 15, 2012

Ms. Melanie Hill
Executive Director
State of Tennessee
Health Services and Development Agency

Dear Ms. Hill,

As Mayor, I am writing to give my support for NHC's plan to build a 52 bed skilled nursing facility at the previous Indian Path Pavilion location. In my opinion, based on the need information provided, this would be the most appropriate use of this facility.

I commend NHC for their vision in filling a need while utilizing an existing structure that has, for years, been unused for medical purposes. I wish them well in the fulfillment of their mission of care for the elderly.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis R. Phillips", is written over a circular stamp.

Dennis R. Phillips
Mayor
City of Kingsport



City Hall 225 West Center Street Kingsport, TN 37660-4237 (423) 229-9400
Kingsport — The Best Place To Be





**INDIAN PATH
MEDICAL CENTER**
Mountain States Health Alliance

2012 DEC 12 PM 2 59

November 12, 2012

Melanie Hill, Executive Director
State of Tennessee
Health Services and Development Agency
500 Deaderick Street, Suite 850
Nashville, TN 37243

Dear Ms. Hill:

This letter expresses my support for NHC at Indian Path's CON application for a new 52 skilled bed facility. NHC is filing its CON based on Sullivan County's projected skilled bed need. I am a physician practicing in Sullivan County and given my experience in the local market, I believe these additional skilled nursing beds will be needed to accommodate our county's growing age population. Even today, skilled referrals can be difficult to place and often require patient delays in our acute care facilities.

Given NHC's excellent history, these residents will receive the highest quality care. I ask you to favorably consider this proposal.

Sincerely,

Frank Lauro, DO, FACOI
VP/Chief Medical Officer



INDIAN PATH
MEDICAL CENTER
Mountain States Health Alliance

2012 DEC 12 PM 2 59

November 12, 2012

Melanie Hill, Executive Director
State of Tennessee
Health Services and Development Agency
500 Deaderick Street, Suite 850
Nashville, TN 37243

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Given NHC's excellent history, these residents will receive the highest quality care. I ask you to favorably consider this proposal.

Sincerely,

Suresh Kumar Nekuri, MD



**INDIAN PATH
MEDICAL CENTER**
Mountain States Health Alliance

2012 DEC 12 PM 2 59

November 12, 2012

Melanie Hill, Executive Director
State of Tennessee
Health Services and Development Agency
500 Deaderick Street, Suite 850
Nashville, TN 37243

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Sincerely,

Vedire Vijaysen Reddy, M.D.



November 12, 2012

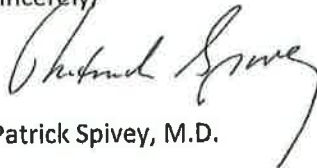
Melanie Hill, Executive Director
State of Tennessee
Health Services and Development Agency
500 Deaderick Street, Suite 850
Nashville, TN 37243

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Given NHC's excellent history, these residents will receive the highest quality care. I ask you to favorably consider this proposal.

Sincerely,



Patrick Spivey, M.D.



November 12, 2012

Melanie Hill, Executive Director
State of Tennessee
Health Services and Development Agency
500 Deaderick Street, Suite 850
Nashville, TN 37243

Dear Ms. Hill:

This letter expresses my support for NHC at Indian Path's CON application for a new 52 skilled bed facility. NHC is filing its CON based on Sullivan County's projected skilled bed need. I am a physician practicing in Sullivan County and given my experience in the local market, I believe these additional skilled nursing beds will be needed to accommodate our county's growing age population. Even today, skilled referrals can be difficult to place and often require patient delays in our acute care facilities.

Given NHC's excellent history, these residents will receive the highest quality care. I ask you to favorably consider this proposal.

Sincerely,

Carl Eric Bendeck, M.D.



November 12, 2012

Melanie Hill, Executive Director
State of Tennessee
Health Services and Development Agency
500 Deaderick Street, Suite 850
Nashville, TN 37243

Dear Ms. Hill:

This letter expresses my support for NHC at Indian Path's CON application for a new 52 skilled bed facility. NHC is filing its CON based on Sullivan County's projected skilled bed need. I am a physician practicing in Sullivan County and given my experience in the local market, I believe these additional skilled nursing beds will be needed to accommodate our county's growing age population. Even today, skilled referrals can be difficult to place and often require patient delays in our acute care facilities.

Given NHC's excellent history, these residents will receive the highest quality care. I ask you to favorably consider this proposal.

Sincerely,

Sudhirkumar Patel, M.D.



**INDIAN PATH
MEDICAL CENTER**
Mountain States Health Alliance

November 12, 2012

Melanie Hill, Executive Director
State of Tennessee
Health Services and Development Agency
500 Deaderick Street, Suite 850
Nashville, TN 37243

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Sincerely,

Stephen E. Dexter, M.D.



November 12, 2012

Melanie Hill, Executive Director
State of Tennessee
Health Services and Development Agency
500 Deaderick Street, Suite 850
Nashville, TN 37243

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Sincerely,

Sandra Brooks, M.D.

Sandra Brooks, M.D.



November 12, 2012

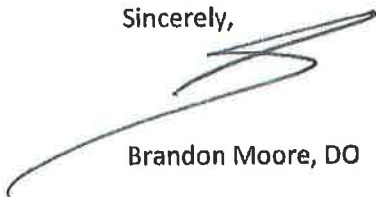
Melanie Hill, Executive Director
State of Tennessee
Health Services and Development Agency
500 Deaderick Street, Suite 850
Nashville, TN 37243

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Sincerely,



Brandon Moore, DO



November 12, 2012

Melanie Hill, Executive Director
State of Tennessee
Health Services and Development Agency
500 Deaderick Street, Suite 850
Nashville, TN 37243

Dear Ms. Hill:

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Given NHC's excellent history, these residents will receive the highest quality care. I ask you to favorably consider this proposal.

Sincerely,


Gerardo Garcia, DO



LETTER OF INTENT 2012 DEC 10 AM 9:15
TENNESSEE HEALTH SERVICES AND DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Kingsport Times-News which is a newspaper
(Name of Newspaper)
of general circulation in Sullivan, Tennessee, on or before December 10, 20 12,
(County) (Month / day) (Year)
for one day.

=====

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. § 68-11-1601 *et seq.*, and the Rules of the Health Services and Development Agency, that:

NHC at Indian Path Nursing Home
(Name of Applicant) (Facility Type-Existing)

owned by: NHC at Indian Path, LLC with an ownership type of Limited Liability Company and to
be managed by: NHC at Indian Path, LLC intends to file an application for a Certificate of Need
for: the replacement and relocation of the existing licensed Indian Path Medical Center Transitional
Care Unit comprised of all of said unit's 22 licensed beds (license number 00336), and the addition of
30 new Medicare certified nursing home beds for a project total of 52 nursing home beds to be called
NHC at Indian Path and located at 2300 Pavilion Dr., Kingsport (Sullivan Co.) TN 37660-4622. NHC at
Indian Path will be certified for Medicare participation. The project will be located in the existing
building at the site of the old Indian Path Pavilion. The estimated project costs is \$10,385,615.

The anticipated date of filing the application is: December 14, 20 12

The contact person for this project is Bruce K. Duncan Assistant Vice President
(Contact Name) (Title)

who may be reached at: National HealthCare Corporation 100 Vine, Street, 12th Floor
(Company Name) (Address)

Murfreesboro Tennessee 37130 615 / 890-2020
(City) (State) (Zip Code) (Area Code / Phone Number)

[Signature] 12/3/12 Bduncan@nhccare.com
(Signature) (Date) (E-mail Address)

=====

The Letter of Intent must be filed in triplicate and received between the first and the tenth day of the month. If the last day for filing is a Saturday, Sunday or State Holiday, filing must occur on the preceding business day. File this form at the following address:

Health Services and Development Agency
Andrew Jackson Building
500 Deaderick Street, Suite 850
Nashville, Tennessee 37243

=====

The published Letter of Intent must contain the following statement pursuant to T.C.A. § 68-11-1607(c)(1). (A) Any health care institution wishing to oppose a Certificate of Need application must file a written notice with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled; and (B) Any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

=====



STATE OF TENNESSEE
HEALTH SERVICES AND DEVELOPMENT AGENCY

500 Deaderick Street
Suite 850
Nashville, Tennessee 37243
741-2364

December 17, 2012

Bruce K. Duncan.
Assistant Vice President
National Healthcare Corporation
100 Vine Street
Murfreesboro, TN 37130

RE: Certificate of Need Application CN1212-059
NHC at Indian Path

Dear Mr. Duncan:

This will acknowledge our December 12, 2012 receipt of your application for a Certificate of Need for the replacement and relocation of the existing 22 licensed beds of Indian Path Transitional Care and the addition of 30 new Medicare certified beds for a project total of 52 beds.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

Please submit responses in triplicate by 12:00 noon, Friday, December 21, 2012. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

1. Section A, Bed Complement Data

Please include the current 22 licensed beds in the bed complement chart and submit a replacement page.

2. Section B, Project Description, Item 11.B.

Please indicate the type of beds that are planned for this proposed project, i.e.- private rooms, semi-private or ward beds. Please elaborate any advantages the proposed bed complement will have over any existing bed type in the proposed service area.

3. Section B, Project Description, Item II.A.

There appears to be a calculation error in the total proposed final square footage column in the square footage and cost per square footage chart. Please revise and resubmit.

The square footage chart indicates there will be a classroom, beauty/barber shop, sun porch etc. Please provide a description of the amenities provided by the proposed facility that promotes resident independence, organized activities, and resident privacy. Also, please provide a brief description of the physical plant and the type of rehabilitation services available.

What is the distance from the current location to the proposed site for this project?

4. Section B, Project Description, Item III. (B)

Please indicate the proximate distance the proposed facility is from any interstate system.

5. Section C. Five Principles for Achieving Better Health, #4 Quality of Care

The applicant refers to an attached NHC Survey Analysis Table. Please indicate where this table is located in the application.

6. Section C. Need, 1.a., Specific Criteria, Item 4

Please clarify if the intent of the referenced attachment is to provide nursing home resident information by county. It appears this attachment is misplaced.

7. Section C, Need, 1.a., Specific Criteria, Item 5.B.

The applicant makes three separate statements regarding three separate unidentified nursing homes in the service area. Please identify the nursing homes the applicant is referring to in the statements.

8. Section Need, 1.a., Specific Criteria, 5. B (3) Occupancy and Size Standards

Please indicate the occupancy rate of Indian Path Medical Center's 22 bed transitional nursing home unit for the previous year and resubmit a replacement page.

9. Section C, Need, Item 4.B

The applicant addresses the accessibility of the proposed project to the elderly, women, racial and ethnic minorities and low-income groups. Please address any identified special needs of the service area population and how the business plans of the proposed facility will address those needs.

10. Section C., Need, Item 5

Your response is noted. Please complete the following table:

Sullivan County Nursing Home Utilization-2011

Facility	Licensed Beds	SNF Beds-Medicare	SNF/NF Beds-Dually Certified	NF Beds-Medicaid	Licensed Only Beds Non-Certified	SNF Medicare ADC	SNF Medicaid ADC	SNF All other Payors ADC	NF ADC	Total ADC
Bristol Nursing Home										
Holston Manor										
Greystone Health Care Center										
Brookhaven Manor										
The Cambridge House										
The Wexford House										
Indian Path Medical Center-TCU										
TOTAL										

11. Section C, Need, Item 6

Your response to this item is noted.

Please complete the following tables:

Indian Path Transitional Facility Historical Data and Projected Utilization of the Proposed Project

Year	Licensed Beds	*Medicare-certified beds	SNF Medicare ADC	SNF Medicaid ADC	SNF All other Payors ADC	NF ADC	Total ADC	Licensed Occupancy %
2009								
2010								
2011								
2012								
2013								

2014								
2015								

* Includes dually-certified beds

Nursing Home	2012 Lic.'d Beds	2009 Patient Days	2010 Patient Days	2011 Patient Days	'09- '11 % Change	2009 % Occ.	2010 % Occ.	2011 % Occ.
Bristol Nursing Home								
Holston Manor								
Greystone Health Care Center								
Brookhaven Manor								
The Cambridge House								
The Wexford House								
Indian Path Medical Center-TCU								
Total								

12. Section C, Economic Feasibility, Item 4 (Historical Data Chart)

Please indicate the beginning of the fiscal year in the blank provided on the chart.

The top of the chart states "NHC at Indian path 52 beds". Should the title be the actual 22 beds this historical chart represents for Indian path?

The patient days reported in "A Utilization Data" for 2010 and 2011 is slightly different than reported in the 2010 JAR (5,852 days) and the 2011 Provisional JAR (6,231 days). Please clarify.

Any corrections require a revised Historical Data Chart.

13. Section C, Economic Feasibility, Item 9

Please clarify if the anticipated Medicare revenue includes crossover claims reimbursed by TennCare. Medicare crossover payments are normally made by the Bureau of TennCare separately from the Managed Care Contractors. Medicare crossover claims are claims that have been submitted to the Bureau of TennCare for Medicare cost sharing payments after the claim has been adjudicated by Medicare and paid by Medicare and Medicare has determined the enrollee's liability.

14. Proof of Publication

Please attach the full page of the newspaper in which the notice of intent appeared with the mast and deadline intact or submit a publication affidavit from the newspaper as proof of the publication of the letter of intent.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after written notification is given to the applicant by the agency staff that the application is deemed incomplete, the application shall be deemed void." **For this application the sixtieth (60th) day after written notification is Friday February 15, 2013. If this application is not deemed complete by this date, the application will be deemed void.** Agency Rule 0720-10-.03(4) (d) (2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Re-submittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.


If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the first day of the month after the application has been deemed complete by the staff of the Health Services and Development Agency.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- (2) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have any questions or require additional information, please do not hesitate to contact this office.

Sincerely,



Phillip M. Earhart
Health Services Development Examiner

Enclosure/PME



STATE OF TENNESSEE
HEALTH SERVICES AND DEVELOPMENT AGENCY
500 Deaderick Street
Suite 850
Nashville, Tennessee 37243
741-2364

January 2, 2013

Bruce K. Duncan, Asst. Vice President
National HealthCare Corporation
100 Vine Street, 12th Floor
Murfreesboro, TN 37130

RE: Certificate of Need Application -- NHC at Indian Path, LLC - CN1212-059

Dear Mr. Duncan:

This is to acknowledge the receipt of supplemental information to your application for a certificate of need for the replacement and relocation of the twenty-two (22) bed Medicare certified skilled nursing home located at Indian Path Medical Center Transitional Care Unit plus the addition of thirty (30) new Medicare certified skilled beds for a fifty-two (52) bed nursing home to be called NHC at Indian Path at 2300 Pavilion Drive, Kingsport (Sullivan County), TN. Service area is Sullivan County. Project cost is \$10,385,615.00.

Please be advised that your application is now considered to be complete by this office. Your application is being forwarded to the Tennessee Department of Health and/or its representative for review.

In accordance with Tennessee Code Annotated, §68-11-1601, et seq., as amended by Public Chapter 780, the 60-day review cycle for this project will begin on January 1, 2013. The first sixty (60) days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the sixty (60) day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review within the thirty (30)-day period immediately following. You will receive a copy of their findings. The Health Services and Development Agency will review your application on March 27, 2013.

Bruce K. Duncan, Asst. Vice President
January 1, 2013
Page 2

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
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Should you have questions or require additional information, please contact me.

Sincerely,



Melanie M. Hill
Executive Director

MMH:MAB


cc: Tere Hendricks, Director, Division of Health Statistics



STATE OF TENNESSEE
HEALTH SERVICES AND DEVELOPMENT AGENCY
500 Deaderick Street
Suite 850
Nashville, Tennessee 37243
741-2364

MEMORANDUM

TO: Tere Hendricks, Director
Office of Policy, Planning and Assessment
Division of Health Statistics
Cordell Hull Building, 6th Floor
425 Fifth Avenue North
Nashville, Tennessee 37247

FROM: 
Melanie M. Hill
Executive Director

DATE: January 1, 2013

RE: Certificate of Need Application
NHC at Indian Path, LLC - CN1212-059

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a sixty (60) day review period to begin on January 1, 2013 and end on March 1, 2013.

Should there be any questions regarding this application or the review cycle, please contact this office.

MMH:MAB

Enclosure

cc: Bruce K. Duncan, Asst. Vice President